<h2>Setting up a Trust Fund</h2> <p>You have probably met people throughout the course of your life who did not have to work because their parents set up a trust fund in their name. Chances are, you found the entire concept unfair and you were simultaneously jealous.</p> <p>However trust funds are not only for the wealthy, and if you are looking for a way to take care of your family after you pass away, it might be a good idea to think about setting up a trust fund.</p> <p>There are three people involved in setting up a trust. The first is you, the grantor (also called the settler) who sets up the trust fund in someone else�s name. The second is the beneficiary: the person, entity or organisation in whose name the trust fund is created. The third is called a trustee, and is the person who is responsible for managing the trust fund. You can hire a professional attorney or a financial consultant to be the trustee, or you can allow a close friend or family member to do it instead.</p> <p>As mentioned above, you do not need to be a millionaire to set up a trust fund for family or friends. Many people do it these days and for a variety of reasons which include:</p> A method with which to avoid the inconveniences of probate court. A way to ensure the proper management of your assets. To make sure that family or friends are taken care of. To simplify the resolution of estate taxes. <p>When researching the methods with which to set up a trust fund, you will want to consider two basic forms: testamentary and inter vivos. A testamentary trust fund is an �after death� trust fund which is not available to the beneficiary until the grantor has passed away. An inter vivos trust fund is a �living trust�, which goes into effect while the grantor is still alive.</p> <p>There are different reasons to use both types of trusts, depending on your personal situation. Most people use living trusts when they want their loves one(s) to have access to their trust fund at a certain time, regardless of whether or not the grantor is still alive. You might need to use a testamentary trust fund, however, if you are simply looking to take care of loved ones after you have passed away.</p> <hr title="Forming a Trust in Cyprus" alt="Forming a Trust in Cyprus" class="system-pagebreak" /> <h2>Forming a Trust</h2> <p>There are multiple reasons for forming a trust, including asset protection, tax planning purposes, protecting family wealth and businesses or other beneficiaries, and even to prepare one�s affairs in the event of death. Forming a trust has also increased in popularity due to factors affecting wealth preservation, such as political instability, marital of family disputes and harsh tax regimes.</p> <h2>Advantages of Cyprus Trusts</h2> <h3>Tax reasons</h3> <p>Income arising overseas: An individual, who has income arising overseas which he does not wish to remit to his country of residence, can arrange for such income to be directed to a Cyprus Offshore Trust.</p> <p>Divesting of personal assets: An individual who wishes to divest himself of personal assets for fiscal or other reasons can achieve this by transferring them to an offshore trust.</p> <p>Pre-migration arrangement: Individuals moving to a high tax country may obtain fiscal advantages in their country by placing funds in a Cyprus Offshore Trust.</p> <p>Investing in Business Overseas: An individual who wishes to invest in business overseas, but wishes to ensure that the profits and dividends received are not remitted to the country of his residence. may set up a Cyprus Offshore Trust to invest in overseas business.</p> <p>Investment Holding Company: A trust can be used in one country to own an underlying investment holding company in an other. This type of tax planning device has many advantages in providing the maximum possible protection for both the settler and the beneficiaries alike.</p> <h3>Other reasons:</h3> <p>Exchange Control: An individual with assets outside his country of residence and whose country of residence may in future extend its exchange control restrictions to include remittance of

overseas funds, may wish to retain the flexibility of overseas funds by transferring them to a Cyprus offshore Trust.</p> <p>Confidentiality: An individual who wishes to keep anonymity can do this by setting up a discretionary trust which owns the shares in the company. This is a particularly useful tool and a popular vehicle for carrying out trading and financial activities, particularly for residents of countries which do not recognise the concept of a Trust.</p> <p>Global Estate Planning: An individual, through the use of a trust, can arrange to be succeeded in inheritance by persons, who, due to the legislation of the individuals country, would otherwise be excluded from the inheritance.</p> <p>Asset Protection: Individuals from volatile parts of the world may wish to protect part of their fortune from high domestic inflation rates by converting it into strong currency assets, or individuals can protect their assets against possible expropriation laws, future claims of Governments, law suits or international blocking or freezing regulation overseas.</p>