

## THE CYPRUS INTERNATIONAL TRUST

The Cyprus International Trust is an invaluable tool for asset protection and estate-planning for clients keen to futureproof their wealth. Cyprus trusts are not subject to any forced inheritance or heirship laws nor to any wealth taxes making this an attractive wealth planning jurisdiction. The Trust is an arrangement whereby a Settlor transfers assets to the Trustee to hold for the benefit of designated beneficiaries. A trust can be included in an array of asset protection and corporate structures as well as being used for estate planning purposes.

Setting up a trust is straightforward, though expert advice on tax and legal implications is quintessential. Certain considerations include the residence and domicile of the settlor, that of the beneficiaries and where the trust fund assets are held. As Cypriot Trustees we are holders of a professional license as per the Fiduciary law, our responsibility is to comply with the deed and Letter of Wishes of the Settlor, as well as with all tax, legal and regulatory obligations and ensure that all beneficiaries' interests are duly protected.

*This publication should be used as a source of general information only. It is not intended to give a definitive statement of the law.*

### THE CYPRUS TRUST AT A GLANCE

<b>Legal Framework</b>	<ul style="list-style-type: none"> <li>International Trust Law of 1992 and by the International Trust (Amending) Law of 2012 (as amended)</li> </ul>
<b>Duration of Trust</b>	<ul style="list-style-type: none"> <li>Unlimited unless stipulated in trust deed</li> </ul>
<b>Types of Trusts</b>	<ul style="list-style-type: none"> <li>Discretionary Trust: distribution and management of the trust fund is at the discretion of the Trustee but can be in line with the Settlor's Letter of Wishes and/or both discretionary and fixed.</li> <li>Fixed Trust: Trustees have no rights over investment of trust funds, income and distributions to beneficiaries are fixed</li> <li>Protective Trust: protects interests of beneficiaries who are incapacitated from overseeing their own affairs</li> <li>Trading Trust: engaged in business operations and can take form of Ltd</li> </ul>
<b>Parties to the Trust</b>	<ul style="list-style-type: none"> <li>Settlor: transfers the initial assets of the trust fund to the trustee. Settlor has no subsequent right to interfere in the running of the trust, unless the trust deed specifically reserves certain powers to him. The Settlor may beneficiary</li> <li>Trustee: Duties include prudently investing the assets of the trust, accounting for and reporting periodically to the beneficiaries, filing required tax returns, and other duties.</li> </ul>

### THE CYPRUS TRUST ADVANTAGES

<b>Confidentiality</b>	<ul style="list-style-type: none"> <li>The trust's assets, settlor and beneficiaries are not publicly disclosed allowing privacy and confidentiality</li> </ul>
<b>Wealth Preservation</b>	<ul style="list-style-type: none"> <li>Preservation and proper management of family wealth from mismanagement, creditors' claims and political seizures</li> </ul>
<b>Asset Preservation</b>	<ul style="list-style-type: none"> <li>Creditors' claims against a settlor or beneficiary can't be made on trust</li> <li>Trusts can be used to protect assets exposed to being seized by political means</li> <li>The Trust's assets can circumvent restrictions on their transferability in certain politically unstable jurisdictions</li> </ul>
<b>Succession Planning</b>	<ul style="list-style-type: none"> <li>Cyprus does not impose forced heirship, estate duties nor probate formalities, and has a protection against profligacy</li> </ul>
<b>Tax Benefits</b>	<ul style="list-style-type: none"> <li>A trust can be an effective tool in limiting taxation on the assets of the trust and be incorporate in corporate tax planning structures</li> </ul>
<b>Revocability</b>	<ul style="list-style-type: none"> <li>A trust can be cancelled at any time</li> </ul>

### WHAT WE CAN DO FOR YOU

We at ATG have built our expertise over the past two decades assisting our clients to sustain and build their wealth through bespoke advice. We keep a close view on the international tax planning world as it evolves and evaluate options available for our clients.

We analyse the requirements of our clients in conjunction with their specific circumstances. As licensed Trustees we ensure that the trust deed is duly drafted and our team also assists with drafting a Letter of Wishes, if required. Once the Trust has been executed by the Settlor, it is fully enforceable. We can assist with the set-up and management of trusts in various jurisdictions, including Cyprus, British Virgin Islands and Jersey.

**For a FREE Initial Consultation to discuss the specifics of your enquiry please contact Andreas Athinodorou on + 357 22057560 or [andreas.athinodorou@atgcorporate.com](mailto:andreas.athinodorou@atgcorporate.com)**

