

Key Facts

INTRODUCTION

Seychelles trusts may be established for many purposes such as family succession/ estate planning, charitable causes and even for a specific purpose (a “purpose trust”).

GENERAL

- Location – Seychelles is located in the Indian Ocean 1500 km east of Africa
- Legal System - Common Law/Civil Law Hybrid
- Official Languages - English (Business), Creole, French
- Political Stability - excellent

TRUST LEGISLATION

International Trusts Act 1994 (as amended)

TAXATION

Seychelles Trusts are completely exempt from business tax, withholding tax, capital gains tax and Stamp Duty in Seychelles.

BI-LATERAL TREATIES

The Seychelles Trust is not tax resident for the purpose of the various DTAA treaties entered into by Seychelles.

ESTABLISHMENT

A Seychelles trust may be established by oral declaration or by an instrument in writing or a will or codicil

DURATION

Standard perpetuity of 100 years, but does not apply for purpose and charitable trusts

ASSETS

- May include anything not specifically restricted by the Act (immovable property in Seychelles)
- May include shares, debentures or any interest in a foreign entity, Seychelles IBC, CSL, foundation or other trust as well as Seychelles Government securities and accounts with banks in Seychelles or any other jurisdiction
- May include a beneficiary interest

SETTLOR

- May not at any time during the existence of the trust be a resident of Seychelles
- May be one or more individuals or corporate entities (including a Seychelles IBC)

GOVERNMENT COSTS

A one-off fee of \$100 is payable to the Seychelles International Business Authority

PROTECTOR/GUARDIAN

- The appointment of a Protector or Guardian must be provided for in the Trust Deed
- Powers such as appointment/removal of trustees and rights to amend the Trust Deed reserved to the Protector/Guardian must be clearly indicated in the Deed

TRUSTEES

- Must have at least one Seychelles resident trustee at all times who must be a licensed International Trustee Services provider
- May have one or more individual or corporate co-Trustees who may be resident in Seychelles or elsewhere
- Settlor may be a trustee but not the sole trustee

BENEFICIARIES

- Settlor or trustee may be a beneficiary, but not the sole beneficiary
- Must be referred to by name or ascertainable by reference to either (i) a class; or (ii) a relationship to a person whether or not living at the time of the creation of the trust or at the time by reference to which, under the terms of the trust, members of a class are to be determined

PUBLIC FILINGS

- A Seychelles Trust must file a "Trust Declaration" to FSA declaring that the settlor is not a resident of Seychelles, the trust property does not include immovable property in Seychelles and that all other material aspects of the trust are in compliance with the Seychelles International Trusts Act 1994
- The Trust Deed is not filed publicly nor are the names of the settlor, trustee or beneficiaries
- No requirement to file any returns or accounts although the trust must maintain accounting records

ASSET PROTECTION

- Seychelles Court has jurisdiction for all matters relating to a Seychelles Trust
- Neither a trust nor any transfers of property to a Seychelles trust may be voided or invalidated due to any foreign rule of forced heirship nor because the trust concept is not recognized or not admitted to the laws of the foreign jurisdiction
- A Trust shall not be void by reason of the settlor's bankruptcy or liquidation of the settlor's property or in any legal action against the settlor by the settlor's creditors except where the Seychelles Supreme Court finds *beyond reasonable doubt* that the Trust was made with the intent to defraud creditors or that the settlor was insolvent at the time when the property was transferred to the trustee. The onus of proof of intent rests on the creditor claimant
- A legal claim of a creditor of a settlor shall not be permitted against a trustee of a trust after a period of 2 years from the date of the transfer