

# THE ULTIMATE

Offshore Banking Guide



# Table of Contents

1. Introduction to Offshore Banking
2. Offshore Banking and the World Economy
3. Growing Interest in Offshore Banking
4. Common Offshore Banking Myths
5. History of Offshore Banking
6. New Offshore Banking Laws
7. The Only Legal Offshore Solution
8. Asset Protection and Privacy Benefits
9. Tax and Other Benefits
10. The Ideal Offshore Banking Customer
11. Doing Business as an Offshore Company
12. Investing as an Offshore Company
13. Maintaining your Offshore Company
14. Private Banking as an Offshore Company
15. Layering your Asset Protection
16. The Offshore Banking Top Secret Tips
17. Offshore Banks are Safer
18. Summary of Tax Haven Jurisdictions
19. Buying an Offshore Corporation
20. Top 5 Offshore Service Providers
21. Frequently Asked Questions Review
22. Summary of Offshore Banking

**NOTE:** You can navigate through the chapters listed above by using “Bookmarks”. The bookmark tab is located on the left part of the screen, and can be accessed simply by clicking on the icon.

*The Ultimate Offshore Banking Guide*

Copyright © 2009. All right reserved. Electronically  
Printed in the United States of America. No part of  
this ebook may be used or reproduced in any manner  
whatsoever without written permission except in the  
case of brief quotations embodied in critical articles  
and reviews.

This ebook may be purchased for educational, busi-  
ness, or sales promotional use. For more information  
about the purchasing please go to  
<http://www.eOffshoreBankAccount.com>

Images from Flickr  
ebook Design and typeset by DB



# Chapter 1

## *Introduction to Offshore Banking*

ULTIMATE

In this book, we will cover everything you ever wanted to know about the past, present, and future of offshore banking. By doing so, we will clear up common misperceptions to ensure that you understand its application to you, businesses, and the entire world economy. Once you gain a fundamental understanding of offshore banking and its place in the economy, we will expose you to various secrets from the top attorneys, accountants, and estate planners in the world.

This book will cover how to transfer money, disclose information properly, avoid legal threats, and more. In addition, we will offer a list of thoroughly screened companies which can assist you to create and maintain your offshore structure. This will ensure you are doing things legally, while enjoying the various benefits of offshore banking.

### *Current Perceptions of Offshore Banking*

When most people think of offshore banking, they have visions of criminals in Hollywood movies and many other incorrect stereotypes. Based upon false assumptions, these people think offshore banking is only for the rich, illegal, and crime-related, or just not for them. Unfortunately, our public media and government have intentionally created these misperceptions, and many people have bought in to them. The fact is, this false propaganda has distorted the understanding of the real truth, just as the high tax jurisdictions initially intended.

Despite the misleading propaganda, offshore banking is a practice which has been widely used for over 70 years by the wealthiest in the world. With the growing interest in offshore banking, there have been a number of new tax havens that have recently been developed to meet the increased demand. With various jurisdictions to choose from, the great thing is, tax havens must compete with each other through their privacy standards to gain business. If one country has more favorable offshore laws than the other, it will attract more wealth to that jurisdiction. This leaves you with a number of options to choose from, and a superior protection due to the competition in privacy laws. If celebrities, government officials, and the wealthiest in the world are benefiting from it, why can't everyone else?

## *Offshore Banking is for Everyone*

Offshore banking can be used by individuals and businesses of any basically any income level, and is even far safer than banking domestically. It cannot only assist you to avoid excessive taxation, but also can protect the assets you have from lawsuits or numerous other threats. Without an offshore structure most business owners can lose over 30% of their revenue to taxes, while opening themselves up to lawsuits which could leave them bankrupt!

The common LLC, Ltd., and other domestic corporate structures are offered to make business owners feel more comfortable, but are based upon false assumptions of protection. Unfortunately, we have seen far too many people lose everything they had in the high tax jurisdiction courts, even in cases based upon false accusations. Instead, if they were privileged to this information, they could have protected their assets offshore and not lost a penny! No matter which structure you have, you are never protected in full when your assets are domestically deposited.

## *Offshore Banking is Legal*

The fact is, offshore banking is not wrong and most importantly, it's legal when structured and disclosed properly. Fortunately, the Internet helps us to communicate the correct information, and eliminate the false stigmas and assumptions. No longer are offshore services overpriced, nor are we restricted to the misleading information in our local news and resources. Today we are in the age of information, and those who don't seek to apply it will never experience the benefits.

After years of professional experience and research, we have created this book to put the facts in front of you. Once completed, there will be no more time wasted and aimless Internet navigation trying to sort through what is correct and what isn't. With all the facts about offshore banking finally known, you will be able to see how it can truly benefit you, and your pocket book!

# Chapter 2

## *Offshore Banking and the World Economy*

ULTIMATE

With the growing use of outsourcing starting in the 1970's, followed later by the implementation of NAFTA (North American Free Trade Agreement), the world has permanently changed forever. Today, we live in a 24/7 global business world, depending on primarily imports to sustain local demand. Rarely anything that we consume comes from our domestic countries anymore, and we have all become interdependent upon one another. Most importantly, competition is no longer just from other businesses in your neighborhood, it's from all over on the world and web.

### *Outsourcing Business Offshore*

Generally speaking, increased competition means increased measures which need to be taken to sustain your market share. We know this can be accomplished by offering more for less to please your customers, but how can you offer more without losing money? The answer is simple, by cutting costs. Unfortunately, the number one cost is usually the employees, so most business started to look offshore for cheaper labor.

Since increased competition led to a growing interest in offshore outsourcing and production, many [large corporations started to bank offshore as well](#). These major corporations could now enjoy all of the benefits below:

- 50% Cheaper Costs on Average
- Much Lower Worker Turnover
- Educated Workers
- Paying Little to No Taxes
- Flexible and Favorable Banking Laws
- And More...

With outsourcing, in theory, the business owner can pass along a portion of those savings to the consumer to gain the edge over the competition. Though this is not always the case, it has generally lowered costs for many mass produced items. When you combine lower fixed costs for businesses with the benefits of offshore banking, it isn't hard to see why [almost every major business now has an offshore branch](#).

## *Understanding a High Tax Economy*

The high tax economy thrives on debt, exports, foreign investments, domestic resources, high population, and consumer spending. This gives the government plenty of citizens and businesses to tax, keeping their economy stable. Since the economy is strong and producing sufficient taxes, the authorities are able to offer loans to banks for funding and new development, which it can then tax again.

Typically, the laws in the country are not favorable to business owners and those paying taxes, but the stability and growth of the economy promotes interest in new development. This belief of reliability keeps the economy thriving, which increases consumer spending and further supports the economy. In brief, this is the general theory that most high tax jurisdictions economies are predicated upon.

## *Understanding a Low Tax Economy*

What about if you have no real exports, no domestic resources, and a low population? Then you are in a situation where you depend on imports to keep daily demand met, and you have no physical product to export to produce economic stability. At that point, you only have a few options to keep your economy going.

1. Tourism
2. Extreme Privacy/ Secrecy Laws
3. Unbeatable Tax Laws

This is the scenario which most tax havens are in. For example, in the Cayman Islands, 90% of food and consumer goods must be imported. In addition, tourism represents about 70% of the gross domestic product and 75% of total export earnings. Most offshore jurisdictions are all in a similar position, lacking the resources and population of high tax jurisdictions. With this fact of dependence, they are forced to implement strict bank secrecy laws to keep their economies stable.

Once these secrecy laws are implemented, well known banks typically start branches in that jurisdiction (Bank of America, HSBC, Deutsche Bank, Merrill Lynch Bank

and Trust, etc.). Sure enough, after the well known banks come, a mass of deposits will follow. At that time, not only can the country collect annual corporation fees and create jobs at the banks, but they are also able to access capital for loans to fund development in that country, providing further economic stimulus. **This is the most important service or product each of these countries can offer the world**, and it is vital to keeping many businesses safe and profitable.

### *Thriving without Competitive Resources*

Since the success of offshore banking is so critical to the economic health of tax havens, most have done anything necessary to attract wealth. This ranges from creating bank secrecy laws, to offering new corporations that avoid high tax jurisdiction reporting requirements. None the less, regardless of what their individual strategies are, they have collectively been very successful. **Today, offshore tax havens hold over 35% of the world's individual wealth, and over 31% of the world's corporate wealth.** These numbers are staggering, especially when you consider that tax havens only have about **1.2%** of the world's population.

Another area in which offshore banking has thrived is the money management market. Recently, due to economic instability and other factors, the U.S. has created a number of laws which drastically restrict the options for domestic money managers. Some of these laws prohibit "short selling," as well as many of the other techniques that are essential to profit in the investment markets. This leaves many traders hog-tied, and clients looking elsewhere for investments. In response to these new laws, many large institutional clients started to require investments to be placed offshore, and of course, many fund-management groups followed to meet their needs.

For your reference, we have provided statistical information to show just how popular this trend of offshore investing has become. Take a look at some of these **eye opening statistics** below:

- Over **25%** of Pension Funds are Now Investing in Offshore Funds
- The Cayman Islands and British Virgin Islands have Over **550 Billion Dollars** in Hedge Fund Money

- From 1996-2006, the Number of Offshore Hedge Funds has **Tripled**
- In 1996, Hedge Fund Investments were Estimated to be Around 400 Billion Dollars, in 2006 They were Estimated to be **1.55 Trillion Dollars**

As you can see, offshore tax havens are becoming rather successful at attracting wealth. Whether it is set up for investment purposes, asset protection or tax benefits, offshore banking plays a critical role for thousands of companies all over the world. In addition to being critical for its users, offshore banking is also just as critical for the countries providing the service. The secrecy laws these jurisdictions enforce are the fuel to their economy, and despite the increased government scrutiny, those who are sticking with the laws are attracting the most wealth. With this undeniable trend fully evident, you can see why more and more places are utilizing bank secrecy laws to increase their economic stability.

# ULTIMATE

# Chapter 3

## *Growing Interest in Offshore Banking*

# ULTIMATE

With the recent volatile times in the economy, people are scrambling with their money, unsure of what to do to protect it. Many are even opening multiple bank accounts in fear that a number of the domestic banks will go under, taking the client's deposits with them. When you add these problems with increased domestic taxation and the inferior asset protection, you can see why [offshore banking has become essential to protect yourself today](#).

### *Offshore Banking before the Internet*

In the past, it was tough to find anyone who had knowledge of offshore banking, and even tougher to find someone to set your structure up. Most of the estate planners and accountants knew local law, and those who did have offshore expertise were badly overpriced. In addition, the false stigma associated with offshore banking prohibited many from even seeking information on the topic. This left very few pursuing the option, and next to no information readily available to the general public.

### *Offshore Banking after the Internet*

Once the Internet was created, it changed the way we did just about everything in the world. This new sales and information medium completely flipped markets upside down, and forced business owners to adopt a new approach. Within the offshore banking market, the effect was no different. Now, with the presence of the Internet, the benefits of offshore banking could be known to millions of people across the world. Coupled with the new affordable prices due to increased competition, offshore banking became a massive market almost overnight. With even more service, virtual and Internet-based businesses being created everyday, offshore banking is a thriving market that will continue to grow.

### *Offshore Banking and its Applications Today*

Today, offshore banking is applicable to the majority of businesses in the world, but most people don't even know it. Whether you are providing a service or physical product, offshore banking can initiate various benefits. The fact is, with our increasing dependence on the technology, more and more domestic businesses are providing

services rather than products. Since offshore banking is perfect for any service-oriented business, many have and will make the choice to utilize the benefits in the coming years.

In the world we live in today, information is power. **Though there is more information at our fingertips than ever before, you need to make sure it works for you, rather than against you.** This is where we come in, providing access to factual research to empower you. Throughout this book we will clear up the myths about offshore banking, offer examples to demonstrate its benefits, and open your eyes to the possibilities of eventually owning an offshore account. Do you still have any built-in preconceptions about offshore banking? If so, the next section should clear up a lot of the typical myths and misperceptions that most have.

# ULTIMATE

# Chapter 4

## *Common Offshore Banking Myths*

ULTIMATE

Though it is not a very complex topic, it is common not to fully understand offshore banking. This is partly due to the lack of published material on the topic, as well as the lack of experts in the field of international tax law. Think about it, how many people have you met who are international tax advisors? We are sure the answer is next to none. In fact, even most licensed tax advisors have little to no knowledge of offshore law, since they are trained and paid to understand their local laws and nothing more. This leaves very few people in the world whom you can rely upon for knowledge, hence the numerous myths and misconceptions.

To assist in clearing up many of myths about offshore banking, we have listed some of the most popular misconceptions below. In addition, we have provided factual information to inform you of the real truths, eliminating the false stigmas attached to the offshore world.

### The Top Offshore Banking Myths

*“Only terrorists and criminals use offshore bank accounts.”*

In the time following 9-11, the authorities pointed fingers at offshore tax havens, but in fact, that blame was proven to be misdirected. Eventually, the U.S. government found out it was incorrect in its initial assumption, and looked elsewhere. After completing the research, the information showed that the money laundering had happened in the U.S., UK, Germany, and Middle East. This made more sense, since the funds need to be close to the crime to be available as needed.

In direct opposition to the stereotypes of offshore banking, The International Monetary fund estimated that over ½ of the world’s money laundering happens in the U.S. **Out of about 600 billion dollars per year that is laundered, more than 300B is laundered through the U.S., with over 60B of that being drug money.** Anyone with sense can see, the myth is actually completely backwards. In fact, many Fortune 500 companies structure their parent company offshore as one of their risk management techniques.

*“Offshore bank accounts are only for the rich.”*

The statement that offshore banking is only for the rich couldn't be further from the truth. Most people don't understand that the various options of offshore banking can benefit a large portion of the general population. These include tax-free estate planning, asset protection, increased privacy and more. With the evolution of the Internet, we now have access to both the offshore service providers, and extremely cheap prices. **Even if you made 30k in a year, it would easily pay for itself within that time period.** Despite what most choose to believe, offshore banking can meet the needs of many, not just a select and privileged few.

*“Since 9-11 there is no such thing as bank secrecy.”*

This is completely untrue, and despite the ignorance of some which believe so, it will never be true. **The fact is, bank secrecy laws keep these economies going, and they will never remove the staple of their economy at the request of another country.** Even if you live in a high tax jurisdiction which enforces the CFC or MLAT law, you are protected as long you structure, disclose, and maintain your offshore entities properly.

*“When opening an offshore account, you must visit the jurisdiction where the bank is located.”*

When opening an offshore bank account, there is no need to travel to the location of the bank. If you purchase your offshore package from a reliable service provider, they should include everything you need to present to the bank. **Once you are ready to open an account, you just need to scan, fax, mail or courier your corporate and foundation documents, along with your identification.**

Sometimes the bank will request the originals be sent via courier, if so, your offshore service provider should assist you with that as well. Once they get the documents, the account is opened immediately and you can start to utilize the various options offered.

*“The average guy can’t use an offshore bank account.”*

This is completely untrue. First of all, the price to structure an offshore account isn’t prohibitive for those with middle class income or above. Second, you can utilize your offshore account for retirement, savings, your will, asset protection, and a lot more. In addition, you can collect much higher interest rates in offshore accounts versus that of domestic banks, all without being hit by excessive taxation. **With such a low costs, and next to no maintenance required, it can benefit mostly anyone.** Whether you are just out of college, single, have a family, or you’re retiring, offshore banking can add many benefits to your life.

*“If you get sued, the judge can force you to bring the offshore money back into the country.”*

This is what is referred to as “**repatriation**”. Though it can occur with offshore trusts, it cannot happen when you correctly utilize the Foundation as we will explain later. Once you donate money to a Foundation, there is simply no way to get it back. If you gave money to a charity, and then called six months later to ask for it back, what do you think they would say? The answer is obvious.

**The Foundation has various rules which allow you to guarantee that no repatriation of funds will occur.** This would allow your funds to be safe no matter what the circumstance. In addition, there is a Letter of Instructions you will draft to define the entire scope of what to do in times of crisis, which we will explain in further detail.

*“When your money is offshore, you don’t have access like with domestic bank accounts.”*

In all honestly, that couldn’t be further from the truth. **With offshore bank accounts, you can do everything that your domestic account can do and more.** You can access your money via ATM, debit, credit, wire transfer and more. Also, you can always view your account **24/7** online to see the status and perform any necessary transfers or deposits. With that being said, the key to using and moving offshore money is disclosing it properly. That is a very important point we will discuss later in great detail.

*“The authorities will know if you have an offshore bank account.”*

This is another false perception that most people have. When you open an offshore account, your records are held in that country, and are never distributed back into your domestic country. **The only way that domestic authorities can access information for offshore accounts is through bank activity within their jurisdiction, and your tax disclosure.** If they have reason to investigate, due to improper disclosure, then they can seek information from that offshore jurisdiction.

Even though it is very tough to get information from offshore tax havens, you must always make sure you disclose every transaction properly. If you are disclosing your transactions religiously and correctly, you will not be breaking the law. In addition, the offshore laws protect you from investigation, and since you're not on the public record, there is little to no chance of getting information.

*“If you run a local business, you can't really use offshore bank accounts.”*

Surprisingly, you can even use offshore corporations to own local businesses. Think about it, foreigners start businesses every day in the U.S., and other countries. **You can either “sell” your local business to your own offshore corporation, or make it the parent company of your local business.** Once that happens, all revenue can be sent offshore since the parent company is the majority owner. This would leave you with much lower taxes, and highly protected money. This is very exciting to hear about for most, so we will detail the option further in coming chapters.

*“The offshore jurisdiction you are incorporated in is the most important thing to focus on.”s*

Though most people think so, that is not the truth. It is important, but definitely not the most important aspect to offshore banking. To ensure you are protected, you must focus on the corporate structure first. This gives you anonymous access to the benefits of offshore banking and increased asset protection. **If you are looking for something to conduct due diligence on, pick the banks. After all, they are the ones holding your money.** Just a tip, don't set up your account at “Joe Schmo” Private Bank; pick a well-known bank such as HSBC, Barclays, UBS, or another institution where you feel comfortable.

*“The very well known banks are more likely to reveal information on offshore accounts.”*

Banks operate under the laws of the country in which they are located. Think about it -- a McDonalds in China isn't subject to U.S. law just since the company originated there. Even if you open up an account at Bank of America - Cayman Island Branch, it doesn't mean that they are cooperative with U.S. authorities. **The branch of the bank is subject to the secrecy laws of that jurisdiction, and cannot act outside of those laws.** The only way any offshore bank will reveal information is if you commit severe crimes, which are considered enforceable in both jurisdictions.

*“Swiss banks and numbered bank accounts are the best to use when getting started offshore.”*

Swiss bank accounts were best utilized back when offshore banking first started. It was a great place to stash money, and protect your assets from those seeking information. Over the last 60 years, tons of money has attracted there, which drew a strong amount of attention from the authorities as well. In short, **Switzerland is no longer the best option for offshore banking.** In addition, the idea of numbered bank accounts is useless now, since no bank will create them. The only current version of the numbered bank account is the bearer bond corporation, which we will explain later.

*“Putting money in offshore bank accounts is riskier than domestic banking.”*

Money used to feel secure in domestic banks, but with the recent financial meltdown things have changed. **In fact, even without the recent financial crisis, it is actually riskier to hold money in high tax jurisdiction accounts.** U.S. banks have 10% of the money deposited on hand, and then they depend on tons of loans to replace the rest that was deposited. Offshore banks, on the other hand, must have 90% on hand and don't practice predatory unsecured loans or other risky investments. Also, many of the world's biggest banks are located offshore. **It would be hard to doubt HSBC, Deutsche, or Barclays Bank, wouldn't it?**

## *Summary of Offshore Myths*

These are just a few of the more common myths that we will clear up over the course of this book. Unfortunately, these false assumptions have cost many people millions of dollars in lawsuit settlements and taxes that they could have avoided offshore. Information is power, and without it you can never reach your potential, regardless of your goal. That is what we are here for, to give you the entire picture without bias, from A-Z. This will help ensure that you achieve all of your goals without delay when choosing to bank offshore.

# ULTIMATE

# Chapter 5

## *History of Offshore Banking*

ULTIMATE

## *The Origin of Offshore Banking*

The term “offshore” first originated when the Channel Islands started to house money to help people avoid local taxation. Since the islands were directly offshore from the UK, the term “offshore” became associated with any tax haven in the years following. Though this is the official point where offshore banking started, it didn’t really evolve until the times of the Swiss banking system.

During the 1930’s there were a number of political instabilities and economic problems in the world. This left many with wealth looking for safe and private places to ensure its protection. For years, there were very few solutions, until the idea of bank secrecy was developed. [In 1934, Switzerland became the pioneer of offshore banking by introducing the Swiss Banking Act.](#) This act was created in response to a public scandal where information was revealed about Swiss bank accounts, damaging the credibility of the country. Since Switzerland was trying to attract wealth to their bank systems and keep the customers they already had, they took a public stand and strictly enforced the law. This law covered various scenarios, but most importantly, it defined the idea and current concept of bank secrecy.

Under the Swiss principle of bank secrecy, privacy is thoroughly enforced, with Swiss law strictly prohibiting any information to be shared with third parties. This includes all tax authorities, international governments and even Swiss authorities, unless it is requested by a Swiss judge’s subpoena. Not only does the law restrict information sharing, but it severely punishes those who break it. The punishments can be very strict, including several years in jail, \$100,000 or more in fines, and exposure to court judgments for damages. To state the obvious, no bank employee can deal with fines and punishments of that sort. [This basic secrecy structure, consisting of simple laws and serious punishments, created the skeleton which every offshore tax haven still uses today.](#)

## *Swiss Banking Permanently Sets the Standard*

After the laws were implemented, and word spread about the benefits, a large portion of the world's wealth showed immediate interest in Swiss banking. **With a bank on almost every corner, people could walk right in and open offshore accounts anytime.** This created a massive boom in offshore banking, and billions of dollars were sent to the Switzerland bank branches.

Once the massive boom occurred with Swiss bank accounts, their success attracted interest from many countries with struggling economies in need of a boost. Looking at the scenario with their countries best interest in mind, offshore governments started to create and implement structures which were identical to the old Swiss banking system. After these secrecy laws were implemented, **many banks starting to look at these tax havens as amazing business opportunities.** Once a few major banks made the choice to include offshore services in these countries, the rest had no choice but to jump in. If they didn't, they would forever lose their chance to profit in the massive offshore banking market.

## *With More Interest, Comes More Laws*

With the massive interest in offshore banking, the U.S. and other high tax jurisdictions felt they had to stunt its rapid growth. In a weak attempt to do so, the U.S. created the first law to try to discourage citizens from structuring their assets offshore. This law was called the U.S. Bank Secrecy Act of 1970. In this act, the verbiage focused on stopping tax evasion, money laundering, and other activities that the U.S. government deemed illegal.

Though this law tried to attack offshore banking, **the wealthy people who owned the offshore accounts were always a step ahead.** They were advised by top attorneys to structure offshore trusts which, if structured properly, were not liable for taxes and were very good asset protection vehicles. This lasted for quite a while until the 1996 change in trust laws (U.S. Internal Revenue Code Section 679), when the U.S. and other governments started to look at the trust as a taxable entity.

# Chapter 6

## *New Offshore Banking Laws*

ULTIMATE

## *The Evolution of the Trust*

Before the recent change in trust laws, next to everyone was using the foreign trust as the ideal structure to bank offshore. This was the main structure that was in demand, so offshore tax havens started to offer it worldwide. Soon you started to hear of offshore trust accounts in the movies and papers, and it became common knowledge.

With the commonly known trust structure, clients were held as beneficiaries of the trust, and the trust was kept “secret”. With the assistance of attorneys, clients would typically funnel their assets through the attorneys into the trust account of the client. This, in theory, would eliminate the act of them funding their own account, and any information had to be sought from the attorney. Since most of the time the attorneys were offshore, secrecy laws would protect them from revealing information on their clients. [This was all going well until the laws were changed.](#)

Once the laws were changed in 1996, most of the trust beneficiaries didn't even realize they were evading taxes. Most of the time, they would pay a certain price to establish the trust, and were primarily on their own from there. This led to a number of public investigations of offshore accounts, specifically related to the trust, and many were caught for tax evasion. With increased public awareness and scrutiny, most of those with small money offshore started reporting their trust or dissolved it. In contrast, those with big money sought other options, and discovered the [Panama Foundation](#).

## *A New Era in Offshore Banking*

When 9-11 hit, it changed things all over the world. Whether you were walking into an international airport or your local bank, you could sense the increased suspicion and paranoia. Normal wire transfers of 3k or more were now considered a “suspicious activity”. As a result of the event and world pressures, the government immediately started to point fingers, redirecting blame towards the offshore tax havens and away from itself.

With the recent aggressive focus on offshore banking and tax evasion, the government immediately tightened the laws even more. In a forced attempt to collaborate together, many of the major countries in the world were politically influenced to comply in response to the recent terrorist attacks. This left several new laws to be developed, all of which were focused on discouraging the use of using offshore bank accounts. In this book we will focus on only those that apply in the current offshore banking world. These are the MLAT, CFC Rule, and EU Savings Tax Directive.

### *Mutual Legal Assistance Treaty (MLAT)*

The **MLAT** was initially created to attempt to stop the flow of wealth into Swiss bank accounts. The first MLAT was established in 1977 between the US and Switzerland, but several other countries have adopted it since. The treaty was created to gain access to information on account holders which were performing certain types of illegal offenses. Once each of the countries agreed to the treaty, it was put into play, but was only applicable to certain rare scenarios.

Though it can be an issue in some countries, the main tax havens have laws which strictly prohibit information from being shared. For a foreign MLAT request to be honored, it must be based on an action which is considered a crime in both countries. If the offshore country doesn't consider the activity a crime, they will simply refuse to comply with the request. Panama, and other tax havens work under Roman Law, while U.S., Canada and other high tax nations work under Civil Law. When trying to match the two together, it doesn't work, since they each have different definitions of what a crime is. Since they do not honor the same law code, felonies and serious crimes are limited to [money laundering, terrorism, drugs, and child pornography](#).

To examine the difference in law code let's take a look at an example, the crime of tax evasion. This is a crime in high tax countries like the U.S. and Canada, but in countries like Panama it is not a crime. If the Canadian or U.S. authorities wanted to seek information in Panama on your financial interest in companies, they would simply refuse the request. Remember, it must be a crime in both countries, or there is no way information can be exposed.

## *Controlled Foreign Corporation (CFC) Rule*

The **CFC rule** is a recently implemented law, which has tried to thwart offshore banking and asset protection completely. It was initially created years ago, but was recently modified to include various new revisions. Shortly after the inception of the idea, the CFC rule was implemented in most of the major high tax jurisdictions such as the U.S.A., Canada, UK, Australia, New Zealand, France, Italy, Spain, and more. As you can see, it was another major worldwide change to try to curtail the recent explosion in offshore deposits, but it only fooled the less experienced.

The rule clearly outlines that no one can “own” an offshore corporation or entity without reporting it, so there is no way around this -- right? That is what many thought, which eliminated most of the less experienced, but there was a solution, the **Panama Foundation**. In this case, the ownership is completely eliminated, leaving you with a compliant structure.

## *European Union (EU) Savings Tax Directive*

The **European Union Savings Tax Directive** of 2005 was created to stop the large amount of money which was leaving the European Union. It specified that anyone who gained investment interest in an offshore personal account must report that amount to the tax authorities. Though it seemed it would be effective at first, those smart enough found legal loop holes to protect their rights.

In short, this law failed quickly because most citizens would either move their money to a country where the agreement wasn't in effect, or just open a corporation there, removing personal ownership. Since the law only covered individuals and certain countries where deposits were, it was defeated from the beginning.

## *Understanding Offshore Banking Laws*

The new laws were created with an intention to dramatically reduce the amount of International Business Corporations (IBC) and offshore bank accounts. Though the laws did cover most of the shaky offshore structures that many offered, they didn't

cover everything. With their economic future at stake, tax havens revised their laws to ensure they were a step ahead of the authorities. These revisions included various restrictions on investigation, and new laws which added **anonymous structures** to their offerings. With all of the new changes, the underlying trend became removing of ownership from the structure. Simply put, **there is no way to track something back to an owner when there is no owner.**

The fact is, when you structure yourself offshore properly, you never own a Foundation or corporation. Instead, you can place yourself in one of many positions to have control and remove ownership. You can be the employee, director, investment manager, or anything you elect yourself to be. In essence, every single detail is in your hands, and it is up to you how to structure it to meet your goals.

### *Implementing Offshore Banking for Benefits*

**With the markets crashing, banks closing, lawsuits increasing and our privacy being threatened more than ever, offshore banking is about the only reliable protection left.** With these current severe circumstances, any sensible business person would look into the option of offshore banking, especially if they knew it was cheap and legal. The problem is, 99% of people don't know how to properly structure an offshore corporation. In addition, even most offshore service firms don't know how to correctly create an anonymous corporate structure for their clients. Unfortunately, they are far too concerned about the profit and fees, rather than the success of the client.

That being said, there are very few opportunities for people to come across such important information about how to legally bank offshore. You won't find this information in a book just lying around the library, nor will you hear about it in your daily conversations. In fact, **you are truly privileged to have the rare opportunity to be exposed to this confidential offshore technique.** What is this structure you may ask? Well, we will cover it in significant detail in the next chapter.

# Chapter 7

## *The Only Legal Offshore Solution*

# ULTIMATE

To be able to understand how to legally protect yourself offshore, you must first understand the structure that you are utilizing in full. Since you now have a broad knowledge of offshore tax havens and the economy, it is time to unveil the [ultimate offshore banking structure](#). In this chapter, we will explain the history and application of the International Business Corporation (IBC) and Private Interest Foundation (PIF), as well as the benefit of using them [both together](#). In addition, we will go over how this structure is legally compliant, and a step above anything else in the world. This will leave you with a complete picture of the entire structure, an understanding of how it fits within the law, and much more.

### *Understanding the International Business Corporation (IBC)*

The International Business Corporation, commonly referred to as the “**IBC**”, is a corporation which has been established in an offshore tax haven, but conducts business strictly outside of that jurisdiction. For example, you can incorporate your IBC in Panama and do business all over the world, but not at a physical location in Panama. IBC’s have also been referred to as offshore “shell” corporations, since they offer the legal skeleton to operate business anywhere in the world, while their records are held privately offshore.

IBC’s were officially created by the International Business Companies Act of 1984, a law of The British Virgin Islands (“BVI”). Once the word had spread that there was a new model of incorporation, many with interest in offshore banking started to consider BVI. In the first year of the new IBC law, BVI started a mere 1,000 corporations, but by the year 2000, there were over 100,000 corporations being created each year. This is literally a [10,000 % increase in the use of offshore corporations over that 15 year time](#). With the massive success of BVI, many tax havens followed suit and created IBC laws that were broadly based upon the 1984 BVI Act. This allowed the massive flood of demand to be met by multiple jurisdictions, since they could now offer the exact same service as BVI.

After 15 years, and millions of offshore corporations later, the IBC started to draw attention from the wrong people. With all of the growing demand and use of the offshore IBC, government authorities started to pressure those countries which were of-

fering the service. Since they were thriving, most did nothing to change the laws for the IBC, focusing on their economies rather than the request of the high tax jurisdictions. In response, the high tax governments had to create local laws to try to prevent additional use of offshore tax havens.

In an attempt to slow down the rapid spread of offshore banking, many of the major high tax governments created the Controlled Foreign Corporation (CFC) Law. This made it illegal to own any offshore entity, such as the IBC, without reporting it on your local taxes.

If you didn't know much about the offshore world, you would think "this it, the end of true offshore banking". Though that is an understandable assumption, you forgot two things. First, the [wealthiest people in the world are banking offshore, and they will always know a loop hole to exploit](#). Second, these tax havens depend on attracting wealth to keep their economy afloat, and will never put that in jeopardy at the request of another. Given these two conditions, you know there will always be a legal loop hole to bank offshore. In today's world, this loop hole is referred to as the [Private Interest Foundation](#).

### *Understanding the Private Interest Foundation*

The Private Interest Foundation is in essence, a hybrid of the trust and corporation, containing the most favorable aspects of each. It can guard your assets much better than a trust, and can even own corporations to keep you anonymous and protected. [The main point that underlies a Private Interest Foundation is that it has no owner, no connection, and therefore no threats about which to worry](#). This leaves you as the sole controller, with all of the same access as an owner, but with no legal ownership ties. Amongst many other benefits, the anonymous nature of the structure is the primary characteristic which makes it unique. Now that you know a little about the Private Interest Foundation, let's take a look at its origin.

The Private Interest Foundation was created in Panama on June 12, 1995, under law number 25. The goal was to create a corporate model which was based upon the old Swiss banking system, while offering several advantages to make it more appealing.

With their best interests in mind, Panama did just that. Although the model was created with many features of the Swiss Lichtenstein Family Foundation, it greatly surpassed it with its additional protection measures and unique structure.

### *The Private Interest Foundation Structure*

To truly know how the Private Interest Foundation operates, you must understand the entire structure of the entity. Once you grasp the different positions and their roles within the foundation, you will know where you fit in and how you are protected. In an effort to assist in your understanding, we have provided this information and more. Below we have outlined the most important aspects within the structure, which comprise of the Foundation Council, Protector, Beneficiaries, and the Letter of Instructions.

#### Foundation Council

The Foundation's Council can be thought of as similar to the board of directors of a corporation. Typically, when purchasing an offshore package, most companies include three nominee council members to keep your identity private. Though the council members are each recorded in the public registry, they never know the details of the Protector. Arriving with each nominee council member will be an undated letter of resignation enabling you to replace the council at any time. **Nominee council members have no control over the Foundation assets, and can not access the bank accounts since they are not signatories.**

#### Foundation Protector

The Protector is the person or entity who controls the Foundation. They are appointed by the Foundation Council at the time of inception, and are able to control everything from that point on. They can remove and replace the nominee council members, and can do anything they want to do with the foundation or its assets. The Protector's appointment can be kept private through a notarized Private Protectorate Document, signed by the nominee foundation council members, and then retained by the Protector. Since this document is privately held and appears nowhere on public record, you are, in essence, 100% anonymous. This will be your position within the Foundation if you were to set up an offshore corporation correctly.

## Foundation Beneficiaries

If you want to set up a Beneficiary account for others, the Foundation model has been the best option for over 60 years. Today, the Panama Private Interest Foundation is the best option for one reason, there is no owner. It consists of council members, Protectors and Foundation Beneficiaries. The Foundation Beneficiaries are appointed by the Protector through a privately held Letter of Instructions, worded as per the request of the Protector. Since the agreement is not logged into any public registry, it provides the Beneficiaries with complete privacy and direct access to their funds. This makes the Foundation a great substitute for a domestic will or trust account, since you can protect your assets and save on taxes.

## The Foundation's Letter of Instructions

The Letter of Instructions is a simple letter written by the Protector, specifying exactly how the Foundation's assets should be handled or distributed if various unfortunate circumstances occurred. This can be a death, incapacitation, investigation, or anything else you choose to address. **There is no specific format for the Letter of Instructions, and it can be written or changed at any time by the Protector.** Though there is not a mandatory format, the Letter of Instructions should always state whether the Foundation should continue existing and have a new Protector appointed, or simply be dissolved. If it is dissolved, the Protector must choose how the assets should be liquidated upon their death, and who will be the Beneficiaries. In addition to the options it provides, the Letter of Instructions can be held privately with no filing requirement, leaving the Beneficiaries and Protector anonymous and private.

As you can see, the structure of the Foundation is quite simple, just as it was intended to be. Since the Protector controls the entire thing but keeps all of their own records, it is fully anonymous and essentially bulletproof. In short, there is nothing as effective, or as simple to manage in the history of offshore banking. Now that you understand the different roles within the Foundation, you can fully utilize their potential, and explore the options available within each position.

## *The Conditions to Opening a Private Interest Foundation*

Everything we have shown you about the Private Interest Foundation is very simple to understand and manage. The great thing is that getting your Foundation incorporated is no different! To show you just how easy it is to set up a Private Interest Foundation, we have listed the minimum requirements below.

### [Requirements to Create a Private Interest Foundation](#)

1. Name desired for the Foundation.
2. Initial patrimony of \$10,000 USD to the Foundation bank account (90 day grace period)
3. Names and addresses of the members of the Foundation Council, which can be no less than three members (nominees are provided in most offshore packages)
4. Name of the Protector of the Foundation

With the recent change in Trust laws, the implementation of the Private Interest Foundation has revived the offshore market. Though the Foundation and Trust are similar in many ways, there are a number of differences between the two structures. In the following section we will take a closer look at those differences and how they impact the typical offshore banker.

### *The Trust versus the Private Interest Foundation*

Since most readers have a fair knowledge of the Trust, we have compared it to the Private Interest Foundation in the section below. This will expose some of the reasons that the Trust has become outdated, and how the Private Interest Foundation has replaced it as the best option in modern offshore banking.

## Differences Between the Trust and Private Interest Foundation

1. The Private Interest Foundation is a separate legal entity, unlike a Trust which is associated with its Beneficiaries. Since there is a mandatory association that must be present with any Trust, it can be attached to legal judgments unlike the Foundation.
2. Assets placed into a Foundation become the property of the Foundation and are separate from the Protector and any of the Beneficiaries. With Trusts, ownership is less clear and is split between the Trustee and the Beneficiaries.
3. The Foundation is an incorporated entity with clear statutory laws and regulations governing it in the jurisdiction it is located. The Trust is more private, and open to risk and vulnerability due to a less clear definition of its laws.
4. There is no question about the validity of a Foundation since it is registered with the country legally. Trusts are not officially registered in the same way as Foundations, leaving many forced to rely on “professionals” to meet all of the conditions to officially and correctly establish the Trust. This leads to many fraudulent, unprotected, and stolen trusts.
5. Foundations are clearly governed by the law in the jurisdiction where they have been established. Trusts are somewhat similar to Foundations, but questions about where they are “managed or controlled” can arise quite frequently. This can lead to domestic court intervention, which is far more strict and unfavorable to the owner of the assets.
6. You can place assets into a Foundation and then transfer “ownership” of the Foundation in a number of ways to indirectly transfer the underlying assets. This is not possible with a Trust. If the Trust owner wanted to transfer the funds, he is required to begin the complex and extended process of transferring the assets from one Trust to another. In addition to the complexity, it can lead to additional taxation on those funds.

7. Trusts are illegal in various high tax jurisdictions if the income and interest earned are not reported. **Private Interest Foundations** have no owner and are completely anonymous, so there is no need to report the assets since they are not tied legally to you.
8. When using a Private Interest Foundation, no one has information about who the Protector is. In short, only the bank can see you are signatory on the assets, which is not a problem. With a Trust, ownership is clearly defined to the people who created and protect the Trust. In the past, many of those who created the Trust for their clients have revealed information response to pressure from authorities. This never happens with the Foundation.
9. Trusts are susceptible to repatriation orders from certain countries, leaving assets frozen and inaccessible. In contrast, the Private Interest Foundation Protector can specifically state in their Letter of Instructions that, **under no circumstance, can there be a repatriation order**. This prevents literally any attempt by authorities to access or effect offshore assets.
10. Foundations cannot be used for commercial business purposes, but they can own an IBC which can do any type of business. Trusts, on the other hand, in certain circumstances can carry out commercial business if needed.

As you can see, the differences we have listed are very dramatic. The Trust was based upon an offshore corporate model that was very strong when it was first created, but due to recent law changes it is now outdated. In contrast, the Private Interest Foundation was created after the Trust had become widely overused, and aimed to solidify many of the shortfalls of the Trust structure.

After reviewing all of the differences between the Trust and Foundation, it isn't hard to tell which option is best to use. In short, **the Trust is now essentially worthless, and the Private Interest Foundation is currently the most protective structure in the world**. Now that we have the differences and advantages understood, let's take a look at another common structure, the "bearer bond" corporation.

## *Understanding the Current Use of Bearer Bonds*

Another widely known option for offshore banking is having the bearer bond holder own the corporation. A bearer bond is a stock certificate which, when physically held, officially represents the legal ownership of the corporation. Since there is no registered name associated with the bearer bond, this certificate can simply be handed over to another person and by legal definition, that physical transfer -- from hand to hand -- transfers corporate ownership. This can even be done 10 times or more in one day, and none of the transfers are required to be on public record. Though this sounds great, let's review some of the facts about bearer bonds below.

### [Bearer Bond Corporation Facts](#)

1. Bearer bond corporations are anonymously owned, and the legal ownership is based upon who physically controls the certificate.
2. There is no public record of any transfers of a bearer bond, so there is no way to officially prove ownership without the physical copy in hand.
3. Bearer bond corporations can protect you lawsuits and financial judgments, since they are completely anonymous.
4. Bearer bonds corporations are mostly outdated, and are looked at with red flags when opening a bank account or performing related transactions.
5. Since 9-11 and the new law changes, Panama is the only country that can correctly establish a bearer bond corporation.

Before 9-11, bearer bonds were the most popular way to structure your corporation, but since then things have greatly changed. Now, with the recent law changes and increased pressure, bearer bond structures have become widely obsolete. Though they are mostly ineffective, many offshore service providers are still attempting to use this structure to set up their clients. This leaves the client with an insecure structure, and one of many potential issues which can develop. [Frequently, well known banks](#)

will either refuse to work with bearer bond corporations, or they will greatly delay the process of opening an account. For this and many other reasons, bearer bonds are not preferred or recommended when incorporating offshore in the present day. Even though bearer bonds did have quite an important and successful history as an offshore structure, the substantial increase in pressure from high tax countries has basically ended their application and use.

With the bearer bond corporation not providing the same protection as it once did, what is the best solution? In the next section we will answer that question, unveiling all of the details on the [strongest offshore structure in the world](#).

### *The Ultimate Solution, the IBC and Foundation Combined*

The solution to all of your offshore needs is rather simple to understand and easy to maintain. Most amateurs try to set up extended chains of corporate shells or trusts, not realizing that they are evading taxes by doing so. [For those who want to do things legally, all you need to do is have the Panama Private Interest Foundation own all of the shares in your offshore IBC.](#) Since you cannot own the offshore IBC unless you report it in most countries, the Foundation is placed as the owner. The great thing is that, under Panama Law a foundation has no owner, instead just a Protector which manages the foundation. [Since you manage the Foundation as a member but not owner of it, you completely avoid all legal attachment to the organization.](#)

With all of the new changes in offshore laws, how can this be legal? Simple, if you go by the literal definition of the law like everyone else in the world, you are fully compliant. Since you must only abide by the rules of foreign ownership and personal bank accounts, your Foundation is the perfect fit. In this case, the Foundation is the owner of the IBC, not you, and the bank accounts are in the name of the corporation and Foundation, not you.

Since you control the structure, you can simply assign yourself to certain positions within the company and have all of the control and signatory duties on the account as part of your “job description”. For example, you can set yourself up as an employee of the IBC, which has signatory duties on all bank transactions. This is just one of the various [tricks of the trade](#) that we will cover to ensure you give yourself maximum privacy and protection.

## *Offshore Banking, while Abiding by the Law*

The majority of companies in the offshore business do not offer the IBC / Foundation strategy, nor do they even know of it. This is because they lack professional expertise and could care less about the client. Instead, their intentions are centered on fees and mark ups, not long-term business. Unfortunately, many fall victim to their misinformed sales pitches daily, and never get to take advantage of the various benefits of offshore banking.

In most cases, for firms not offering the Private Interest Foundation, clients are set up as an “anonymous” director of the IBC or the beneficiary of a foreign trust account. Though they are not on public record and there are privacy laws, it doesn’t provide the customer with true anonymous protection.

In both scenarios, with the Trust or IBC, the client would be breaking the law and evading taxes if these assets were not reported. Even if you own a small percentage of the shares of the IBC, you are still breaking the CFC law. Regardless of the type of trust, if you were found to have unreported assets offshore, they would be repatriated or seized. In addition, since it is illegal to not report those structures in most high tax countries, you can face criminal prosecution, which obviously, no one wants.

Let’s ask you something -- Why set up an offshore corporation and bank account if it isn’t done legally? Doesn’t it defeat the entire purpose of it when you aren’t even protected from your local law? [Be safe and diligent with your decisions when choosing an offshore provider, this is the first and most important step to reach your offshore goals.](#)

## *The Purpose of your IBC and Private Interest Foundation*

Both the IBC and the Foundation are essential, each having different characteristics which are complementary to the other. The IBC can conduct all of the daily business activities to generate capital and meet overhead business needs, while filtering the long term savings into a safer place. A perfect match, the Foundation is that safer place. [It can be the sole shareholder of one or more corporations, and the dividends obtained from those shares become part of the assets of the Foundation.](#) Without one, the other is next to worthless with the new laws, unless you are trying to walk a tight-rope to offshore disaster.

## *The Ideal Offshore Banking Strategy*

Even though you get 100% protection from the IBC / Foundation structure, there is one simple trick that you can't forget. In all cases, you want to make sure you spread your offshore structure amongst multiple jurisdictions. This would mean having your corporation, foundation, and banking all in different countries as we will explain later. In addition, it would be good to have a local corporation so you can easily do business domestically and transfer money offshore. The fact is, once someone would see all of the different corporate and jurisdictional barriers, they would immediately give up in fear of wasted time and money. **This is the reason this offshore strategy is the most effective asset protection tool in the world!**

# ULTIMATE

# Chapter 8

## *Asset Protection and Privacy Benefits*

ULTIMATE

In the U.S.A. and other major high tax jurisdictions, you can lose your assets, business, home or money from one simple accusation or mistake. This can be something as simple as a car accident, work related mistake, or countless other things that are out of our control. Though this seems fair when the crime is very serious, what about those people who just sue you because they want your money? Unfortunately, this is the unavoidable reality we are exposed to. Everyday, people are taking advantage of the litigious society we live in, and many lose everything they ever had in a court battle.

Since this circumstance is now feared by the general population, the insurance industry has thrived, filling the world's need for "safety" and protection. Preparing for the worse case scenario, people pay thousands of dollars into insurance every year, all to protect their money.

Think about it for a second. If so many people are protecting for the worse case scenario, how is offshore banking any different? The difference is that offshore banking is much cheaper, and is far more effective than any insurance. When you combine the IBC/ Foundation structure with the knowledge in this book, you have far more protection than any service offered in the modern world. Below, we have listed some the various asset protection benefits which your Private Interest Foundation provides.

## [Offshore Asset Protection Benefits](#)

### 1. The Letter of Instructions

The Letter of Instructions can serve as a strong method to protect your Foundation assets from various threats. The great thing is, you can outline basically any scenario and explain exactly what to do if that scenario was to occur. This can cover divorce, death, investigation, repatriation, beneficiaries and more. The wishes of the foundation Protector (you) must be upheld and never broken, regardless of the circumstance.

## 2. The Three Year Foundation Rule

When operating a Private Interest Foundation, you have a long list of benefits, but nothing as unique as the three-year rule. Panama Law states that the transfer of assets to a Foundation may not be affected after a period of three years from the date of transfer. In effect, any deposits are permanently pledged to the Foundation and cannot be attached to any future judgment after that three-year period. This has the effect of preventing any creditor or third-party from even considering a lawsuit.

## 3. Never Freeze Assets until the Trial is Complete

In most high tax jurisdictions, attorneys can move to have your assets frozen before a trial is complete. Furthermore, they can easily track the amount of assets you have in the country, leaving nothing accessible to you during or after the lawsuit. With offshore corporations, the exact opposite is true. Your assets are never frozen until the full trial has completed, and that can take years for international cases. This is a very huge point since you can transfer funds throughout the entire trial, ensuring their safety regardless of the outcome.

## 4. Offshore Asset Ownership for Protection

If you have an offshore corporation or Foundation, you can purchase assets through them anonymously, and enjoy the full benefits of ownership. These assets can be real estate, stocks, bonds, art, collectibles, boats, planes and more. This gives you the opportunity to avoid taxation, and eliminates your attachment to the assets legally. Since you have no ownership of the assets, and are given rights to use them by the corporation, they can not be seized or liquidated based upon your personal actions.

## 5. No Law Requiring Disclosure of Protector or Beneficiaries

In Panama, the Private Interest Foundation has the most strict secrecy laws of any structure in the world. Since it does not require the protector to be listed

on public record, the entire structure can be anonymous. In respect to the beneficiaries, they are only disclosed in the private Letter of Instructions. This is privately held by the protector, and can be changed anytime. With nothing in the public record, there is no way to find out who the protector and beneficiary are, leaving everyone protected.

## 6. All Important Records can be Stored Offshore

Whether it's your corporate records or financial statements, you always want to make sure they are not in the wrong hands. Basically, if someone was seeking information, these files would be the jackpot. To prevent the possibility of them uncovering these records, by law, all records can be held anywhere in the world. This means you can have a foundation in Panama, and your records can be on an encrypted server in Belize. This makes it literally impossible to access information, especially if you are smart enough to keep all of your data encrypted on a dedicated server.

## 7. Strict Bank Secrecy and Confidentiality Laws

The major reason offshore tax havens attract wealth are their bank secrecy laws. There are put into place to frustrate creditors, and sternly punish those who reveal information on clients. Anyone who would reveal information on an account would face prison time of up to 6 months, \$50,000 in fines, and civil suits for damages. Most bank employees, especially in these countries, have no chance to afford these penalties, so they will rarely break the law.

## 8. Offshore Court Systems are Very Slow

When facing legal threats offshore, the court systems are very favorable to the defendant. In an attempt to frustrate potential creditors, offshore financial centers have created laws to dramatically extend the time period of international trials. Sometimes, in countries such as Panama, it can take over 5 years for a charge to even get to trial. This gives people plenty of time to prepare for the investigation, ensuring their assets and information are protected.

## 9. The Private Confidentiality Agreement

If you want to add another layer to your asset protection strategy, the Confidentiality Agreement is a great tool. In this agreement, it will state that under no circumstance can you reveal any information on the corporation or Foundation. To summarize, this document will serve as an order for the courts in Panama to enter a summary judgment against you for \$1,000,000, and will state that there will be criminal charges for the revelation of any information. Since this official and notarized agreement has been made, it is illegal under international law for anyone to force you to expose yourself by providing information. If you are planning on setting up this agreement, you will need to contact an attorney in the offshore area in which you are domiciled.

## 10. High Tax Courts Follow Civil law, not Roman law

When your money is offshore, you are not open to the same lawsuits you would be if your money was in a high tax country. Most high tax countries follow civil law, which recognizes things such as marriage, civil suits, and more as means for financial compensation. In direct opposition, Roman law only relates financial compensation to serious felony offenses such as terrorism, drugs, child pornography, and money laundering. For someone to be financially compensated from a lawsuit against an offshore account holder, the act must be considered a crime in both countries. This occurrence is very rare, and is usually only related to the severe crimes listed prior.

### *Summarizing the Benefits*

With all of the different asset protection options, **the Private Interest Foundation cannot be matched by any structure or service in the world.**

In short, the IBC/Foundation structure allows you to manage but not own the organization, keeping you compliant with no legal attachment. The key feature here worth repeating is, there is “**no legal attachment**”. Regardless of the circumstance, your personal matters can never be connected to the Foundation, and therefore judgments are limited to your “personal assets”.

The fact is, the Private Interest Foundation is simply impenetrable, and is designed to stash billions, not millions. Though it was initially created to meet the demands of the wealthiest in the world, offshore banking is now [offered for such a low price that it can help anyone increase their protection](#), and even dramatically lower their taxation.

# ULTIMATE

# Chapter 9

## *Tax and Other Benefits*

ULTIMATE

The first thing you think of when you hear the term “offshore banking” is, there are no taxes! Though that perception is true, it is just one of a number of different benefits you can receive by banking offshore through your IBC / Foundation structure. In high tax countries, none of these benefits exist, leaving many with wasted money and insufficient asset security. This is where offshore banking comes in, providing you with the necessary means to protect yourself and your hard-earned money.

### *No Good Reason for Heavy Taxation*

In the U.S.A. and other high tax jurisdictions, you are “[raked over the coals](#)”, with as much as 33.9% of your income going out the door to taxes. This can add up to millions of dollars over the course of a lifetime for the typical middle class citizen, and even more for the wealthy. Though we do understand that taxes are needed to maintain economic stability, in many cases they are used incorrectly to further areas of government self interest. For example, [how many billions of tax dollars have been spent on wars for oil resources, financial bailouts, executive luxuries and more?](#) Do you think this spending was all necessary? Why not spend this money on disease research or poverty?

In contrast to domestic policy, having an offshore corporation does not involve excessive taxation. As an IBC or Foundation, you are not required to pay taxes to the offshore authorities, nor do you even have to report your earnings. Instead, your income goes straight into your pocket where it belongs.

Take a moment, and look below at some of the various tax benefits of having an offshore corporation.

#### [Offshore Taxation Benefits](#)

- No Income Tax
- No Taxes on Investment Interest
- No Capital Requirements
- No Sales Tax
- No Capital Tax

- No Property Tax
- No Estate Tax
- No Gift Tax
- No Inheritance Tax
- No Stamp Tax
- No Succession Tax
- No Inventory Tax
- No Tax to Beneficiaries

In addition to the unbeatable tax benefits, there are a number of [unique options](#) which are created when you have an IBC/Foundation structure. Below we have listed some of these options, giving you even more reasons to consider banking offshore.

#### [List of Other Various Benefits](#)

- Access to Avoid Politically and Economically Unstable Countries
- Lower Bank Fees and Higher Interest Rates
- Reduced International Tariffs for Physical Product Delivery
- Lower Fees, Trusts Mostly Charge a Percentage, Foundation has Flat Fee
- Can Act as a Last Will or Testament, and is Good for Estate or Inheritance Planning
- Can Serve to Avoid Disputes amongst Heirs
- Can have Scientific, Philanthropic, Religious, Humanitarian or Educational Purposes
- Royalties, Copyrights, and Trademarks can be Assigned
- Can hold Bank Accounts, Boats, Planes, Artwork, Collectibles or other Assets for Additional Protection
- Can hold any Type of Currency for your Bank Accounts
- Can Invest Worldwide with Freedom and Anonymity

Now that you know about all of the various benefits, think about your options with an offshore structure versus a traditional LLC structure. **Can you do even 10% of these things with your local LLC? The answer is an obvious no!** On top of the various limitations you have with a domestic corporation, you are fully exposed to excessive taxation and legal threats. With everything you now know, which do you think is the better choice to run your main business through?

### *Current and Future Tax Implications*

With the recent trend of big debt and high spending, most high tax jurisdictions will have no choice but to raise taxes to catch up. Whether they call it an “anti-terrorism” tax or some other creative name, it is all disguised to extract money from the population. One perfect example of this has already been put into effect, even though 99% of the population doesn’t know it. If you’re a U.S. citizen, and have a net worth over \$1,000,000, then January 1, 2011 should be a red-letter day!

As of 2011, the U.S. estate tax law will be changed, and will dramatically affect anyone with wealth. **Any estate worth over \$1,000,000 will be subject to a maximum of 55% in estate taxes, leaving less than half left for the beneficiaries.** That is a crippling number when you are trying to pass along an inheritance that is already been depleted by inflation, and other planning fees. You may say, “I don’t have a million dollars in my bank account anyways”. Well, the problem is, all of your worldwide possessions are valued at their “highest and best use,” and then added up to reach your total asset value. This could very well push you into that category, and make over half of your assets lost to taxes.

Estate taxes are just one of the many obvious reasons to bank offshore. A reliable offshore package is around \$10,000, which is far less than you could lose from forfeiting 55% of your estate. The fact is, if you want to pass along your assets to beneficiaries, it is best to utilize an offshore corporate structure. These harsh and excessive tax laws are there to prevent wealth from accumulating, keeping money out of the pockets of those who earned it, and back into the pockets of those who created the laws.

# Chapter 10

## *The Ideal Offshore Banking Customer*

# ULTIMATE

Though offshore banking can provide benefit to most, there are certain people who would dramatically benefit from an offshore account. This may be due to the nature of their business, their wealth status, or their financial goals. For your reference, we have created a list of the top candidates for offshore banking below, providing a brief description of how it can assist them.

## [The Ideal Offshore Banker](#)

### 1. Doctors

Doctors are always targets for lawsuits, and with the new malpractice laws it couldn't be a better time to protect their money offshore. Some of these states don't even have caps on the amount that the doctor can be sued for. This can leave them open to lose everything, all from just one little mistake. For this profession, it is essential to protect yourself offshore.

### 2. E-Business

Though many don't know it, all e-business owners can funnel their profits through an offshore corporation. Since you are doing business internationally, and in no specific location, you are a perfect candidate for an IBC. All you need to do is place that IBC as the owner of the internet business, or place the IBC as the "parent company" of your already existing business. This is absolutely sound, and will eliminate any legal ties to the business while giving you access to the profits.

### 3. Consultants

Since consultants have no physical product to be delivered, it is perfect for offshore banking. In essence, you can do business as a local company which is owned by your IBC, and all of your revenues minus the expenses can be sent offshore into your IBC account. This helps greatly when it comes time to disclose your transfers, and any other transactions.

#### 4. Money Managers

Anyone who is managing others money can benefit themselves and their client base from banking offshore. There are much less strict requirements, no reporting, no taxes, no licensing required, and you can trade in markets all over the world. In addition, many investors are now looking for offshore investments, since they can benefit from profits without additional taxation.

#### 5. Wealthy Individuals

For those who have attained wealth, it is always important to ensure it is protected. First and foremost, offshore banking will protect your assets from basically any legal or financial threat. In addition, it will assist you to grow your wealth much faster than through domestic banks and investments. Overall, it is a great decision for anyone who is wealthy, for numerous reasons.

#### 6. Financial Traders

Financial traders are concerned about a few major things: their net profits, privacy, safety, and the regulatory authorities. With offshore banking, all of these concerns are greatly reduced. First of all, their net profits will be higher since there are no taxes on investment income when banking offshore. Second, anonymous trading through their corporation or foundation will greatly increase their privacy and safety. Lastly, they do not need to be regulated if they are trading from a country which does not require it. When combined together, you can see why a lot of the new age investment money is being traded offshore.

#### 7. International Business Owners

Anyone who owns a business that does international transactions would greatly benefit from an IBC. In fact, that was the point of the tax havens creating the IBC. All you need to do is get it set up and either do business through the IBC, or have the IBC placed as the owner of your current business. This will give you the privacy and tax advantages that every business desires.

## 8. Expatriates

Expatriates live in another country than their legal residence, and need access to money in that country. The answer to this problem is offshore banking. The money can be placed into an offshore account, and it can be accessed anytime without the knowledge of the home country. This involves tax, secrecy, and privacy benefits which they wouldn't get from a domestic bank. In addition, there are much lower fees when accessing money overseas from an offshore bank, versus a domestic bank.

## 9. Shipping Companies

If you are a shipping company, you can use an offshore corporation in many ways to benefit. First of all, you can have your offshore company own your shipping company, saving on taxes and increasing net revenue. Second, you can have each ship be owned by separate offshore companies, which can reduce the liability associated with owning these ships. Think about it, if one ship caused a bad incident, all of the ships could be seized as collateral for a judgment if they weren't owned by separate offshore entities. In addition, to state another obvious benefit, you can protect your liquid assets in an offshore account, since shipping is a rather high risk business.

## 10. Investors

We will go into great detail about the options of investing offshore in future chapters, but for now we will overview some of the benefits. First of all, you can invest as an offshore corporation anonymously, leaving your information and assets fully protected. Second, you do not have to pay additional taxation on your earnings, as in most high tax countries. Lastly, you can access investment markets from all over the world, which can greatly increase your yield potential. The benefits mentioned, and many other reasons, have lead an increasing number of investors to go offshore.

## 11. High Risk Occupations

For those who have high risk occupations, you are always on the brink of disaster. In the litigious society in which we live, there are more and more people losing everything they own from a simple accusation or mistake. To protect against unforeseen events, most of these people have high-priced attorneys or insurance. This not only is less effective to protect you, but it also costs a lot more. If you had an offshore corporation, all of your assets could be protected, minus what you keep in your domestic country. In essence, there would be no need for an attorney, insurance, or other means of protection, since the assets are untouchable in your offshore Foundation.

## 12. Those Seeking Retirement Planning

For those seeking retirement planning, offshore banking is a great option to consider. First and foremost, you are not susceptible to taxation, and you can make more money in interest with offshore bank accounts versus domestic accounts. In addition, you have full privacy, you can create a will, and you can have access to much more profitable investments to make your retirement account grow.

## 13. Lawyers

Lawyers are always looking for a way to protect their clients in times of distress. Most of the top lawyers are working with some of the wealthiest people in the world, who are all looking for ways to protect their assets. If a reliable offshore banking service was added to their practice, most attorneys would greatly increase rapport, while attracting more high net worth clientele as well. Also, many attorneys have wealth themselves and can benefit from starting an offshore structure.

## 14. Estate Planners

Most estate planners focus on domestic law, and in doing so, restrict themselves greatly. What most don't understand is that offshore estate planning is simpler,

more effective, and cheaper for the client. With that being said, many of the top estate planners in the world focus on offshore law, while many of the mediocre planners have no knowledge of it. Not only can it expand the clientele these estate planners have, but it can also expose them to a different type of client, since most people actively seeking offshore structures are rather wealthy.

## 15. Industrial and Trading Corporations

Industrial and trading companies are one of the most popular users of offshore banking. To summarize, companies will structure their trading company offshore, shipping and invoicing the client from the location associated with that offshore IBC. Once the product is shipped, and payment received, the profit can be kept tax free in offshore accounts since the shipping company is domiciled in a tax haven. This is something that is common. Anyone in this business without an offshore structure is far behind the curve.

## 16. Those Interested In Creating a Will/ Beneficiary Account

For those interested in creating a will or beneficiary account, but don't want to pay the ridiculous set up fees or estate taxes, offshore banking is a perfect substitute. With a Foundation, you can create your own will and Letter of Instructions which will outline various scenarios, and can detail next to anything you choose. You can even have someone be a Beneficiary only if they abided by a condition which you stipulated, and have another in their place if they didn't. For example, you could place your wife as the Beneficiary, but if you were to get divorced, then your son becomes the Beneficiary. Overall, you have many more options and a lot more privacy with an offshore will.

## 17. Local Business Owners

For savvy local business owners who are trying to save money and protect their assets, offshore banking can be a good option. To summarize, if you had a local business you can have it owned by another domestic business, which could then be owned by an offshore company which you control. For example, if you owned

a Florida LLC, you can have a Nevada LLC own it, an offshore Cayman Islands IBC own the Nevada LLC, and then a Panama Foundation owning the offshore IBC. In essence, you can still control everything, but you have no legal ownership attachment to it. This leaves you with a lot more money in your pocket, and next to no exposure to financial threats.

## 18. Those Facing a Lawsuit/Financial Threat

For those in need of protection from a pending or current lawsuit, offshore banking has been the number one choice for generations. If you have assets offshore in a Foundation, they cannot be attached to satisfy any judgment since the Foundation is considered a separate entity. In addition, if they have been deposited for 3 years or more, they are permanently pledged and cannot be accessed in any case. This gives people the opportunity to create an offshore account before or during any threat, assisting to protect whatever they have from future judgments.

## 19. Real Estate Owners

Anyone with tangible assets can benefit from offshore banking, including real estate owners. First of all, those who purchase and sell real estate can do so in the name of an offshore corporation or Foundation. This would greatly reduce taxes, while increasing your privacy and bottom line. Also, for those who own real estate and want to protect it from future lawsuits, they can use their offshore corporation to put a lien on the property. This lien can eliminate the threat of total liquidation and asset loss, and is the top domestic asset protection tool available today. This and more will be explained later in the offshore secrets chapter.

## 20. Independent Contractors

For most who do business as independent contractors, you more than likely have a domestic business to receive your wages. In this case, you can have the local business be owned by an offshore corporation, removing any ownership and the majority of tax liability. Since most domestic employers are reluctant to pay an offshore corporation directly, they can pay your local business which is owned by

the offshore corporation. Also, with the offshore corporation as the parent company of the local business, all revenues can be sent offshore to the IBC since it is the owner of that local business. This leaves you in a much more favorable tax situation.

### *Summary of the Various Offshore Applications*

Though these are some of the groups who would be ideally suited for an offshore account, the various benefits can help a wide range of people. As you can see, people with wealth, assets, occupational risk, or independent businesses are great candidates, but [it can really apply to anyone](#).

Depending on your current situation, an offshore account may be a great thing to implement for you, even if you don't appear anywhere on the list. [Everyone wants safety, everyone wants to save money, and we know everyone wants a good bargain!](#) With a business making a mere \$30,000 annually, an offshore structure would pay for itself within one year with the tax savings. With all of the privacy, asset protection, and tax benefits, it isn't hard to see why more and more people are choosing to bank offshore.

Even though many are flocking to offshore tax havens to receive the benefits, most people have no clue how to operate the structure correctly. Once you create the IBC, Foundation and bank accounts, you now have the means to do everything we have discussed and more, but there is one "caveat". You must know run an offshore business correctly, or the structure is essentially worthless. benefits, most people have no clue how to operate the structure correctly. Once you create the IBC, Foundation and bank accounts, you now have the means to do everything we have discussed and more, but there is one "caveat". You must know run an offshore business correctly, or the structure is essentially worthless.

# Chapter 11

## *Doing Business as an Offshore Company*

ULTIMATE

When running an offshore corporation, you must know certain “[tricks of the trade](#)”, or else you won’t be protected. The more you know, in terms of your options and limitations, the better you will be prepared for any scenario you encounter. If you take the word of someone else, without doing thorough research, you can be left with a structure which is of no use to you. In addition, if not structured, disclosed, and maintained properly, you can be in hot water with the authorities, which defeats the entire purpose.

To make it simple for you, we have listed some things that you must know when you are starting and maintaining your offshore corporation. These tips will help you to understand, and effectively utilize the structure your offshore service provider will start for you.

### [Tips to Running an Offshore Business](#)

1. Make sure to get your offshore structure started with a trusted and well versed company.

We can’t stress this enough, [DO NOT go out and buy a low priced structure from a “fly by night” company](#). When that structure can be the barrier between your assets and future threats, there is no reason to be a “cheap skate”. Seek someone who has great knowledge and customer service skills, because information, security and comfort should be your top priorities.

2. Disclose [ALL](#) transactions over 3k correctly.

Remember, [100% transparent business is the always the best for long term success](#). In the past, \$10,000 was the “red flag” point at banks, but since the recent law changes, it is now \$3000 or more. Always disclose everything correctly, regardless if it is personal or business related. Without proper tax disclosure, your offshore corporation is worthless.

3. Use a domestic business or LLC to assist in disclosing and transferring money.

If you are planning on having large sums of money sent to or from your offshore account, you always want to have a local business. If you are able, [establish an LLC in Nevada or Delaware, and then have it owned by the offshore IBC](#). This will allow you send domestic revenue offshore as payment to the parent company (your IBC), or it can be disclosed in one of many other ways. We will explain this further in the coming chapters.

4. Develop strong relationships with your offshore and domestic bankers.

When you are banking from the other side of the world, it is always good to know your bankers personally. If you have a substantial sum of money, go to the country and visit after you open up your account. Once you both have a relationship, rather than just a voice, it will greatly increase your comfort. In addition, [the bankers will show favorable attention to your future requests](#), which can be very important.

5. Make sure the foundation owns all of the shares in the company, not you.

When running an IBC, the last thing you want is an ownership attachment to the corporation. To avoid this, [you must place the Private Interest Foundation as the owner of all of the shares of the IBC](#). If even a small percentage is owned by you, this can be translated into tax evasion. If you have the Foundation own the IBC, then there is no ownership throughout the entire process, avoiding the reporting laws in most high tax countries.

6. Always have your money sent to your offshore IBC, not directly to the foundation.

When sending money offshore, always use your IBC as the initial recipient, and never the Foundation. [Even if you are intending to place the money in your Foundation account anyway, it must always be sent to your IBC first](#). The reason is, if someone in your domestic country was to pursue an investigation, they would have to go to your IBC jurisdiction to get information on the Foundation. This would be next to impossible, unless you committed a very serious crime.

For those who are very sophisticated, you can always send money to one IBC, then to another IBC which is owned by your Foundation. This will leave multiple jurisdictional hoops that they must jump through to get information.

7. Focus on where your banking is located, the IBC is not as important.

Remember, your IBC is just a corporate “shell” to protect the majority of your wealth in the Foundation. Whether your IBC is in Panama, Belize, Nevis, or anywhere else, it still fulfills the same purpose, i.e., to protect your Foundation. **If there is anything you should focus on, it is your bank name and jurisdiction branch.** Since the IBC and Foundation money will be located there, you should make sure you feel comfortable with the bank and country which that branch is located in.

8. Purchase all of your assets from the company name rather than your own.

If you plan on acquiring high value assets, it is always best to not have them officially attached to your name. **If you do own the assets, this leaves you paying higher taxes, and exposed to various financial threats.** In contrast, if you purchased your assets as an offshore corporation, which was owned by the Foundation, these assets can not legally be attached to you or anyone. In any future judgments, your assets would be sheltered from all legal associations.

9. Use your offshore business as a middleman to save on taxes and tariffs.

If you are shipping physical product out of the country to a client, you can always have the shipments sold from your domestic company to your offshore company first. **If the goods are sold to your own offshore company for half of what you paid, you won't lose any money, but you will avoid many of the higher domestic tariffs/taxes which would have been associated with the normal purchase price.** By doing this, it gives you the ability to send the product from your offshore corporation directly to your client, removing much of the tariffs and legal exposure. In addition, since it was shipped to your client from your offshore IBC, you can take payment into your tax free IBC bank account for the product. This is just one of many strategies that top customs consultants use to assist their customers.

10. Keep your offshore annual fees paid, and make sure to report your local taxes correctly.

To keep your offshore business in good standing, you simply need to address two things: your local taxes and offshore annual fees. Most importantly, you must always make sure to disclose your domestic transactions correctly to the local tax authorities. Since your offshore business can not be seen, just disclose the transactions properly which are associated with local banks. This can be accomplished by following the pointers in this book, but [you always want to rely on a licensed tax advisor to make sure you are up to par with your local law](#). In respect to your offshore annual fees, most service providers will notify you within 60 days of their due date. As long as you pay these small fees, your offshore corporation will remain in good standing.

### *Summarizing the Key Points...*

By doing business through an offshore company, you can attain, accumulate, and protect your assets a lot easier. Whether you run an e-business, local business, or international shipping company, the utilization of offshore corporate shells (IBC's) can greatly increase your overall success.

As you can see, you don't need to be a brain surgeon to understand how to create and maintain your offshore structure. In all seriousness, [offshore banking was created to protect you, not confuse you](#). After you create the offshore structure, you really only have two major things to focus on, following tax reporting laws in your domestic jurisdiction, and making that money!

Within each new chapter of this book, we have introduced you to a multitude of unique options. Despite the large volume of information, our goal is simple, to give you a complete understanding of the benefits and barriers of offshore banking. This will allow you to [customize your offshore structure to match the goals in your personal and business life](#).

Keeping your assets and profits protected is important, but think about the benefits of tax free investing as an offshore corporation. Could this be the key to early retirement and independent wealth? We will cover this question, as well as many others, in the next chapter.

# Chapter 12

## *Investing as an Offshore Company*

# ULTIMATE

## *Traditional Investing and its Drawbacks*

Even in the progressive world in which we live, full of new opportunities and ideas, most people still follow the traditional model of investing. This involves keeping money in their local bank, investing in their country's markets, and paying the applicable taxes. **Though this investment strategy seems “conservative”, the recent financial and economic crisis has proven otherwise.** When investing domestically, you always have to deal with three main issues: taxes, exposure, and restrictions.

### *Taxes*

As a domestic investor you must pay taxes on all investment earnings, and as your profit or income increases, so do the taxes! With capital gains taxes as high as 15%, a large chunk of your investment earnings go straight out the door. That large chunk of your investment profit, in addition to the high personal income and estate taxes, can add up to millions lost over the course of a lifetime.

### *Exposure*

If you are keeping your investment profits in domestic banks, it can be frozen or seized at anytime. This can be from a pending lawsuit, investigation, divorce, or one of many other financial threats. Think about it, you could make the right financial decisions all of your life, but lose everything in the blink of any eye. One car crash, mistake, misunderstanding, or false accusation can leave you with nothing. Add this to the increasingly litigious society we live in, and it is a recipe for disaster. This is why **offshore asset protection can be thought of as far more important than any insurance.**

### *Restrictions*

When you only invest in your home country, you are greatly limiting your options. Studies have shown that when you hold both U.S. and international stocks, you experience much less volatility in your portfolio. This is due to inverse relationships that exist within the financial markets. The problem is, harsh domestic tax

laws discourage offshore investments as an individual or company. Unfortunately, the majority of the top money managers are located offshore, and these laws have greatly restricted access to the benefits. This leaves many missing out on more stable and successful investment opportunities, amongst other things.

With these three issues present, any savvy investor should consider looking into options offshore. **If you have enough money to invest, you definitely have enough to start banking offshore.** Now that you understand the barriers of domestic investing, let's take a look at what it's like to invest as an offshore company in the next section.

### *Investing as an Offshore Corporation*

Since most people don't know how easy it can be, they don't even consider offshore investing. Due to lack of exposure to the idea, they miss out on the various options and benefits. Instead, they continue to pay additional taxes, while leaving their assets exposed to lawsuits in domestic banks. **With offshore investing, all of the fees and fears are removed.** The great thing about this is it that can all be done anonymously from a phone, or the click of a mouse if you choose.

Those who trade, invest, or manage money can transact with complete privacy once they start their foundation or corporation. All investments can be done in the name of the IBC, which is owned by the Foundation. Since there is no ownership allowed in a Foundation, there is no legal association to any one individual. In short, **this is 100% anonymous investing at it's best!**

As an offshore company, **you can invest in stocks, bonds, CD's, mutual funds, futures, options, precious metals, currencies, or any other investment you choose.** Most importantly, you can access markets worldwide with no restrictions by your local law, leaving many more profitable options to consider. This is the reason why most hedge funds, mutual funds, and asset managers are structuring their investment businesses offshore. With no regulations and more markets to exploit, they can effectively achieve higher profits for their clients.

Though you can always access your traditional domestic investment opportunities, remember, [you can access money managers and fund advisors from all over the world](#). The fact is, there can be a lot higher profit opportunity outside of the U.S. and Canada when it comes to investments. As an example, let's take a look at the commonly known mutual fund.

Right now, the best mutual funds in the U.S. are badly suffering, and at their best, are [only](#) earning about 10% interest per year. Why such low investment returns you may ask? Well, to simplify, there are restrictions on what U.S. mutual funds can do to generate returns. Unfortunately, this prohibits them from trading as they choose for their clients, greatly hurting their net profits.

On the other hand, [offshore mutual funds don't have these same restrictions and can trade as they choose to](#). In contrast to the weak performance of U.S. mutual funds, many offshore mutual funds have excelled. Over the last 5 years, some of the best offshore mutual funds have produced over 400+% ROI, versus a mere 50% for U.S. funds. With numbers like that, you can compound your wealth fast, and live your life free of dependence on money.

What about if you like more fixed and traditional investments like CD's? Well, offshore banks offer higher yields in that area as well!

### *Offshore Banks Offer Higher Interest Rates*

If you are conservative, or just want to make money without active investing, you can earn far more interest in offshore bank accounts. Most banks in the high tax countries offer about 3% on cash deposits, and 4.5% on long term CD's at best. These minimal returns barely meet inflation, and have no effect on building long term wealth.

Offshore banks are more generous and offer much better customer service to their clients. When you open an offshore account, depending on the bank, your interest can be well above normal. In many banks, you can access up to 6% interest in savings accounts, and CD's earning 8% to even 12% in certain cases. In addition, they

have financial consultants to assist you to understand your investment options better. [With increased earnings, full privacy, no taxation and more, setting up an offshore account can dramatically affect the quality of your life.](#) Whether your goals are high yield or conservative fixed investments, offshore banking will protect your assets, and ensure you have only the best taxation benefits available.

### *Investment Freedom at Last...*

In the most of the “free” countries of the world, there are much more restrictive laws when it comes to wealth and attaining it. When investing your own money, it never feels good to have a government’s self-interest prohibiting you from making the best investment decision. The good thing is, you can avoid these headaches by starting an offshore company. As an offshore company, you have access to the entire world of investments, with complete privacy and no taxation, leaving your path to wealth squarely in your hands. Finally, as an offshore company, you can experience [true investment freedom!](#)

# ULTIMATE

# Chapter 13

## *Maintaining your Offshore Company*

# ULTIMATE

You would think that running an offshore company would be hard to maintain, but quite honestly, it's easier than running a domestic company. Things are structured this way to attract more foreign investment, just as the rest of the laws are. All you need are the fees to get started and a little bit of revenue, and it easily pays for itself in no time.

### *Offshore Business Maintenance is Easy...*

When you set up your structure, it is more than likely going to be an IBC owned by a Private Interest Foundation. You will purchase this in a package, which will include both the IBC and Foundation documents, and the bank introductions. With the IBC, your initial fees are typically covered, you have no taxes to report, and all you need to do is pay annual fees and be discreet. The great thing is, when transactions are disclosed properly there is no reason for your IBC to be considered suspicious to anyone.

*What does it take to keep a domestic-based business in good standing? About 10 times the effort and you get taxed 30% or more in most cases!*

The other part to your offshore structure will be the Private Interest Foundation. Since it owns the IBC, and there is no owner to the Foundation, there is no ownership to report to domestic tax authorities. With the Foundation, you also have no taxes, no reporting, and only annual fees to pay.

Unlike the IBC, the Foundation bank account must be opened with a \$10,000 pledge, but the bank gives you over 90 days to meet that requirement. After you get everything set up, you just need to **make sure you do two things: avoid for-profit business with the Foundation, and keep yourself in good standing where you reside.**

### *Understanding Your Domestic Reporting Obligations...*

For almost everyone, domestic tax disclosure is the most important issue to address. After all, more and more are fleeing offshore to avoid the government's black hole spending plan. If you want to stay in business, unfortunately, you must report your

taxes and business information within your resident country, unless you reside in a tax haven yourself. [The key to domestic reporting is proper disclosure, and the key to proper disclosure is knowledge.](#)

Let's take a look at the various ways your offshore business could be structured and disclosed. As you will see, [in all cases you would be the end "Protector", and in most entities you are placed as an "employee"](#). Both as the Protector and employee, there is no ownership to report to domestic tax authorities.

### Symbols

- Owned by
- Managed by
- \* Employee of

### Option 1

\*IBC\* ➤ Foundation ➤ Protector

### Option 2

\*Nevada LLC\* ➤ \*IBC\* ➤ Foundation ➤ Protector

### Option 3

\*Local Business\* ➤ \*Nevada LLC\* ➤ \*IBC\* ➤ Foundation ➤ Protector

### Option 4

\*Multiple IBC's\* ➤ Foundation ➤ Protector

Since each entity is owned by another, personal affiliation comes down to the final link in the chain. This final link in all cases is the Protector, which by legal definition is not an owner. Instead, [the Protector's relationship with the Foundation is one of oversight and management.](#) In essence, the only legal relationship that exists is your employment to these entities, which carries no legal attachment to the assets protected within them.

## *Options for Disclosing your Money Domestically*

With the mass of information, you may wonder, should I explain all of this to my local tax advisor? If you do, two things will happen. First, they will not understand what you are talking about since they have only studied their local, state, and country laws. Second, if they are a good advisor, they will tell you they don't want to know anything about it since it's offshore. With this being true the majority of the time, the question now becomes, [how do I disclose things at tax time?](#)

[How you choose to disclose money sent to or from offshore accounts is really up to you.](#) It can be sent in the form of payment for consulting services, payment for product, loan, repayment of a loan, and many other ways. The key isn't necessarily how you choose to disclose it, but it must be done correctly and religiously. Most authorities don't sort through properly disclosed transactions. Instead, they look for those money transfers with no explanation or associated filings. Though these examples are great, the "parent company technique" is the most popular method of moving large money offshore.

When an entity is fully owned by another entity, the owner is considered a "parent company". By legal definition, [all revenue can be sent to the parent company, and it is only applicable to taxes in the country where the parent company resides.](#) In effect, almost all domestic revenue can be sent offshore to your parent company, which has no taxation requirements. All you need to do is keep the money in your domestic corporate account equal to your business expenses, and send the rest offshore to the parent company. This will allow you to show business expenses and pay some domestic taxes, while protecting the majority of your money offshore.

Simply put, all you need to do is disclose incoming and outgoing money correctly, keep your accounting books balanced, and your tax advisor will take care of the rest. Since you do not own the offshore entity, there is no need to disclose the details of the situation. In any case, it is always best to have a licensed tax advisor handle your domestic filings to ensure they are correct and not flagged for whatever reason.

## *Future Considerations for Offshore Maintenance*

Once you have mastered the art of proper disclosure, it is smooth sailing from there. If you ever wanted to make changes to the structure, whether it was the IBC or Foundation, it can be done immediately with little to no hassle at all. Most of the offshore providers will connect you with attorneys in the location you incorporated in, and any changes you desire can be addressed directly with those attorneys. You can choose to switch jurisdictions, change the Letter of Instructions (will), or make changes in one of many other areas.

With very little maintenance, amazing flexibility, privacy, top banks and more, it isn't hard to see why the majority of the world's wealth is protected offshore. Think about it. [You could have an account at Bank of America Cayman Islands, paying no taxes with privacy, or at Bank of America New York, paying high taxes with no privacy. Which one would you choose?](#)

# ULTIMATE

# Chapter 14

## *Private Banking as an Offshore Company*

ULTIMATE

Rather than thinking of the Foundation and IBC separately, you must think of them as complementary, acting as a team together to do what neither can do alone. By law, [the Foundation can only engage in certain types of business](#), but can invest, purchase assets, protect wealth, and more. In contrast, [your IBC can conduct any type of business](#), but isn't sufficient to protect your wealth from aggressive litigation. Between the two structures you have the perfect relationship, with the IBC to create wealth, and the Foundation to protect and store it.

### *Offshore Banking with your IBC*

The point behind the IBC is to have an offshore corporate address, allowing you to perform normal for-profit activities in the name of the business. This gives you access to low taxes, favorable laws, bank secrecy protection, and an additional corporate shell to protect your Foundation. Once you make any profit, you can choose to keep it within your corporation for immediate spending, or filter it into your Private Interest Foundation for long term wealth.

In essence, you can think of your IBC bank account as similar to your checking account. Ideally, you would use the money in this account for:

- Daily Business Profits
- ATM / Credit Card Access
- Living Expenses
- Purchasing Business Related Goods
- Investments of Any Sort
- All Withdrawals or Transfers
- Non-Documented Loans

A key point to remember is, [you are always best suited to use your corporation in almost every circumstance, outside of long term deposits](#). When all else fails, and you don't know what account to choose, always use your IBC. This will ensure that the information on your Foundation is protected to the highest degree possible.

## *Offshore Banking and your Foundation...*

The Private Interest Foundation, on the contrary, can be thought of as your savings account. It would not be used for daily transactions and withdrawals, but rather for mostly deposits, and some grants and donations if you chose. Below, we have provided a list of the top uses for the Foundation bank account:

- Long Term Cash Deposits
- Investments of Any Sort
- Purchasing Expensive Assets
- Grants and Donations

The Private Interest Foundation serves to protect your long term assets, and most importantly, your identity. Since it doesn't have an owner, it can never be directly connected back to you. In addition, since the Foundation is a separate entity, it can never be held financially liable. [Instead of being the owner, you are placed as the investment manager or Protector of the Foundation, leaving your assets safe and unaffiliated with your personal actions.](#)

### *Opening the Bank Accounts*

If you want protect yourself in full, you must know how to disclose your information properly with the banks. When disclosing the owner of the IBC at the bank, keep it simple, and tell them the [Foundation is the sole shareholder](#). Since you are nowhere on the legal ownership records, this will protect you from future financial threats who are seeking information.

Once you state you are the Protector of the Foundation, they will ask for the necessary documents to prove the affiliation. At that point, you will give them all of the relevant IBC and Foundation documents which your offshore service provider sent you, along with your identification. After the documents have been verified by the bank, your accounts will be opened and you will have immediate access to your money. If you request, the bank will provide you with an ATM card and online account access at that time as well.

This will leave you with two bank accounts, one for the Private Interest Foundation and one for your IBC. The great part is, you not only have access to your money just like at domestic bank, but you also have various benefits that you can only get when banking offshore. All you need to do is use your bank accounts correctly, and keep your domestic taxes disclosed in accordance to the law.

### *Offshore Banking Review*

To be direct, **the last thing you want to do is expose your Foundation to an investigation.** This can be done by incorrectly disclosing transfers to or from your Foundation, or engaging it in bad business of any sort. **Remember, the IBC and Private Interest Foundation are completely dependent upon one another.** If you don't have an IBC, then you are not protecting your Foundation, and are putting yourself greatly at risk. Also, if you have an IBC but don't have a Foundation, you are committing tax evasion if you don't report those assets domestically.

In summary, the IBC is needed so you can conduct for-profit business, access money, and keep the attention off of your main assets located in the Foundation. Complementing the IBC, the Foundation protects your long term assets, while providing access to anonymous banking. The key is following the roles that each -- the IBC and Foundation -- should play, and from there the jurisdictional laws will do the rest.

# ULTIMATE

# Chapter 15

## *Layering your Asset Protection*

ULTIMATE

Bank secrecy laws are the key for offshore countries to attract wealth to their jurisdictions. Though they are enforced to protect your information, they are really there to protect the economy of the country which has implemented these laws. In essence, the more money that comes in because of the favorable laws, the better off that country will be financially.

In terms of their application to you, **bank secrecy laws are like your armor**, protecting you from various threats that could arise. In short, **the more armor you wear, the less chance you have of something penetrating it**. This is the fundamental principle behind using multiple jurisdictions to bank offshore.

### *Layering your Offshore Protection*

To truly understand offshore protection, you must be versed in the concept of layering secrecy laws. When you are looking to protect yourself, you always want to make it as hard as possible for anyone seeking information to be successful. The more hurdles they have to overcome, the better it is for you. Though this can be done in a multitude of ways, the most effective option lies within the “diversification” of your business jurisdictions.

Ponder this question: If you had a Panama IBC, Foundation, and bank account, versus a Panama Foundation, Seychelles IBC, and Nevis bank account, which would provide better protection? The answer is simple, the one with more countries and laws involved. Yes, the secrecy laws are unbeatable in Panama, but you would still be much more protected if you had chosen the three jurisdiction approach!

### *Using Multiple Jurisdictions Increases Security*

If you have the IBC, Foundation, and bank account all in one jurisdiction, then you have only one country’s bank secrecy laws to protect you. Even with one country’s secrecy laws, it would be hard to access information, but think about if instead, you had three different countries’ laws to protect you. With this “diversified” structure, any creditor would have three times the obstacles to overcome, and it would make it next to impossible for them to be successful.

The point of layering jurisdictions is to add complexity and frustration, and other variables which can discourage creditors from seeking information. [These layers leave investigations going nowhere, due to the extensive time and financial expenditure they require.](#) In almost all cases, information is rarely ever exposed and it takes years to even get to trial. In the meantime, your assets are never frozen until the trial is complete, leaving you fully protected and able to move them if needed.

The main reason this is great is that it's legal! [This is a technique that has been used for decades by the best estate and tax planners in the world.](#) They know that the secrecy laws are hard to break through, but they also know that [getting three countries to cooperate is next to impossible.](#) By adding the IBC and Private Interest Foundation into the mix, your structure becomes essentially *bulletproof*. When celebrities, politicians, athletes, doctors, lawyers, and more are using it, you know two things: it is legal and effective.

Layering your protection is one of many basic tips, but the key is learning how to manage your offshore structure like an experienced veteran. This will ensure you enjoy the benefits, while having complete secrecy and protection. In the next section, [we will get straight to the point](#), offering the top secret tips to success.

# ULTIMATE

# Chapter 16

## *The Offshore Top Secret Tips*

# ULTIMATE

If you have an offshore corporation then you know you are on the right path, but without understanding the secrets to operating it, it is really next to worthless. Think about it, what good is an offshore company if you don't know how to protect it from threats? This is why we have provided you with the Offshore Top Secret Tips. If you consider going offshore there is only one way to do it, armed with reliable information and resources.

## [The Offshore Top Secret Tips](#)

### 1. The Real Use of Offshore Shelf Corporations

Shelf corporations are used to display ownership prior to the actual time you registered for the offshore corporation. For example, if you were facing a lawsuit, it would be very bad to see that you opened a corporation right after the event. With no doubt, it would be flagged and thoroughly investigated. In contrast, if you purchased an aged corporation after the incident which was established months before the incident, **it would look like you had the structure in place before**. This can allow you to protect your assets offshore before they could possibly be frozen or seized in your domestic country.

### 2. Using Non-Documented Loans

If you want to send or receive large sums money using your offshore IBC, you must always **disclose things in your domestic country properly. If you are smart, you can achieve this by utilizing Non Documented Loans**. This allows you to disclose your offshore transfers from one business to another as a loan or repayment of a prior loan. All you need to do is fill out the proper documents and present them to your accountant as needed. This leaves everything properly disclosed, and legal, so you can avoid raising red flags.

### 3. Using Grants and Donations

If you want to access money in your Private Interest Foundation, you can do so in a number of different ways. The most effective way to access larger sums of

money is through grants and donations. Simply put, all you need to do is [choose the person or entity which will benefit from the grant or donation, and then send it to them](#). As long as you have a documented purpose the transfer, and it is properly disclosed, you can access and transfer the money quite easily. In addition, these transactions have little to no taxes in most countries, which is very beneficial to say the least.

#### 4. Putting a Lien on Your Own Assets

If you want to protect assets that are located within your home country, then there is only one way to do so. [By placing your offshore corporation as the lien holder of the asset that you own, you ensure you are the first paid on any judgment](#). For example, if you owned a yacht and had your offshore IBC as the lien holder on the yacht, then your IBC would be first paid on any lawsuit where that yacht was liquidated. The only exception is government charges, otherwise you can benefit from your own liquidation.

#### 5. Offshore Banking Can Replace the Need for Pre-Nuptial Agreements and Protect from Divorce

If you are facing an impending divorce, offshore banking can save you millions of dollars in judgments if you were to structure it before signing the final papers. Also, there is no need to argue over pre-nuptial agreements, since your spouse can never access information on your offshore accounts. Even if they knew of the accounts, it wouldn't matter since [Roman law does not honor marriage as legally binding](#). This is one major area that can apply to the majority of the world.

#### 6. Always Use a Professional Offshore Consultant

As we stated prior, when opening an offshore bank account you must trust the people who are providing the service. First of all, [do not think of price as a factor](#) when choosing your provider! If you work with a company that is not reputable, and has very little relevant experience, then you are setting yourself up for disaster. Instead, to avoid many obstacles, it is smart to choose only professional

offshore consultants that you feel comfortable with. Remember, your assets are going to be protected by the corporate structure that they put in place, so they must be good at what they do.

### 7. Don't be Flagrant with your Purchases

If you have a lot of money going offshore, then be smart about what you bring back on shore. The last thing you want to do is get a wire transfer into your local bank account, and then immediately go buy a yacht from your local boat dealer. Instead, **do all of your large transactions through your IBC and Foundation**. In addition, if you do purchase high value assets in your personal name, never pay through cash or check, since it can raise suspicion as to where the money came from. Even if you are a multimillionaire, it is always best to finance your large purchases through traditional means, such as mortgages, loans, monthly payments, or other types of traditional repayment options. This will leave you enjoying the benefits of ownership, while avoiding the hassle of investigations related to the origin on the money. In summary, there is no need for constant paranoia, but being overly cautious is never a bad idea.

### 8. Never Use your Personal Phone or Office to Call your Offshore Bank

If you are ever investigated for any reason, those seeking information will review anything and everything that could tie you to money. This could be your local bank transfers, or even phone records to see who you made contact with. If you are smart, it is always good to protect against these situations, even if they are to never occur. One common occurrence is checking the phone records of someone under investigation. If you had a ton of calls to your offshore bank, then that gives them reason to look further. If, on the other hand, you are sharp and **communicated via pay phone or calling card**, they wouldn't have anything to run with. In short, always be careful with your phone and personal email records, and make sure they don't tie to your offshore account.

## 9. Don't Give your Accountant your Life Story, Keep it Simple and Brief

Your accountant has a job, to disclose your information legally with a goal of benefiting you along the way. If you have an offshore account and do not own it, then there is nothing to report ownership of. Why go through one detail after another when all it could do is compromise the privacy of your offshore account? If you have an accountant, don't give them all of the information in the world. In contrast, give them all the information they need to ensure you are legally protected. The key is diligence in the disclosure process, and **religiously reporting anything over \$3,000** properly.

## 10. Keep your Offshore Bank Account Secret from Everyone

What good is an offshore account if everyone knows about it? You may think that some people are your friends, but when money is added to the equation people do strange things. Also, if you are married, it is always good to keep your personal information secret. **No matter what the case, do not reveal information on your offshore account.** This can only possibly set you up for some serious regrets in the future. Think about it, what benefit could come from exposing your private information? Bragging is not worth compromising your life savings.

## 11. Don't have Offshore Bank Statements Mailed to your Address

Once again, when there is an investigation of any sort, people will follow whatever trail they can to reach the money. As we explained earlier, this can be done by reviewing phone records, or other personal information resources such as email. In any case, it is never good to have your bank account statements sent directly to your mailing address. Instead, **have them sent to a mail drop in that country**, and then have them forwarded to another address from there. This will ensure there will be no record of delivery to your address, which will foil any attempt to attain information. Since you can access all of your information 24/7 online, there is really no need for the statements anyways.

## 12. The Private Interest Foundation doesn't Freeze Assets Until a Trial is Completed

If you are facing a trial under your personal name, then you have nothing to worry about in terms of the assets in your Foundation. Since the Foundation is a separate entity, it cannot be attached to satisfy any judgments associated with an individual. In the rare case that your Foundation was under investigation for a crime it directly committed, then that is a different story. In that scenario, you would still be protected. The reason being, your assets are not frozen until the trial has completed which can take years. [In the meantime, you could have placed your assets in a more private and secure location](#) to ensure they are not seized upon judgment. This can be in a place that only you know of, which would ensure complete privacy.

## 13. Placing Yourself as an Employee of the Offshore Corporation

To remove ownership, but still be able to prove an association with the company, you can set yourself up as an employee. This can be done with your IBC, Foundation, or any domestic corporation which is owned by an offshore entity. If you are interested, you can speak with the attorneys in the country of incorporation who can assist you to draw up the agreements. These custom agreements state the terms of your employment, duties, responsibilities, and more, including bookkeeping and signing on the bank account as part of the job description. People that sign on the bank accounts for largest corporations are not usually the owners of the corporation, so there are no red flags if you set yourself up this way. [This removes your personal signatory status, since it is now a duty you have as an employee.](#) This is a great way to get a salary, not own the company, and remove any legal ties!

## 14. Always Keep the Least Amount of Money in your Home Country

Though it may seem like common sense, most people don't follow this basic rule. If you keep your money onshore, then it is open to lawsuits and other problematic investigations. If you keep your money offshore, then it isn't open to those

same threats. With that being said, there is little to no point to have money on shore which exceeds your immediate needs. In addition, if you ever needed money, you can access it from offshore within hours through one of many mediums. **The general rule of thumb is to have 80% or more of your assets offshore.** This ensures the majority of your wealth is free from personal legal attachment for threats of any sort.

## 15. Dual Citizenship Provides an Extra Layer of Protection

The idea of dual citizenship can be very beneficial if you are serious about offshore banking, and have a large amount of wealth to protect. By applying for residence in one of the tax haven countries, you can make that your primary residence, thus **removing most of the tax and legal** obligations to your former high tax country. This is great way to ensure you are protected from lawsuits, and to remove all ties to the more strict and harsh high tax governments.

### *Summary*

With the various options and tips we have provided, you now have a complete understanding of the potential available with offshore banking. In addition, you now have an edge over the rest of the world, since you know the secrets to keep your assets out of harms way. Once you truly understand and embrace the tips listed above, you will have the highest degree of protection available in the modern world. This will ensure you are protecting yourself in full, and within your local laws.

**The great thing is, offshore banking can be used by almost anyone in the business world, and is very cheap to get started.** In addition, offshore corporations can own any business in the world, thus removing ownership from any corporate scenario. In short, anyone can benefit, you just need to be savvy enough to understand and apply the option.

# Chapter 17

## *Offshore Banks are Safer*

# ULTIMATE

Given the recent terrorist attacks and financial meltdown, U.S. banks are no longer as safe as they once were. Most people think offshore banking is risky, but the fact is, the opposite is true. [Would you invest with someone who paid low returns, and had high risk strategies?](#) If not, they why give your money to a domestic bank when the exact same scenario is present.

### *Banks Invest your Money at their Discretion...*

When comparing the investment strategies of offshore banks to domestic banks, it isn't hard to see which is more secure. **First** of all, offshore banks aren't exposed to risky investments such as third-world debt and highly leveraged derivative investments. **Second**, offshore banks do not engage in predatory loan practices, which would leave them exposed and depending on repayment. **Lastly**, offshore banks are located in politically neutral countries which do not conduct offensive and interventional foreign policies. By remaining neutral, these countries are not open to terrorism or threats of war like those who are more aggressive with policy.

If you didn't think that information was enough to understand which choice is safer, then this will definitely help you make the decision. [Offshore banks must have 90% or more of deposits on hand](#), leaving their clients protected regardless of the circumstance. In dramatic opposition, [U.S. banks require only 10% of deposits to be on hand](#), while the rest is placed in so called "safe" investments, such as predatory loans and other unstable ventures. With all of these additional risks, you would think there were higher interest rates on bank accounts in the U.S., but that is not the case. The only benefit to U.S. banking is the FDIC rule, but really, that has no worth to people who are wealthy as we will explain.

The FDIC (Federal Deposit Insurance Corporation) is a government agency that attempts to make bank account holders feel comfortable by insuring their deposits against bank failure. The maximum insurance payment they offer for each personal account is \$100,000, which would be payable to the account holder. This sounds great, but [what if you had over \\$100,000 in your account and the bank failed due to predatory loans and failed repayments?](#) If that was to happen, then you are out of luck, and anything over that \$100,000 will be lost. Does this seem smart or safe to you?

## *Offshore Banking is Far More Conservative...*

With offshore banking, you never have to worry about firms collapsing, unlike domestic and high tax jurisdiction banks. With a strict investment and management policy, offshore banks are much more conservative with their client's funds. Furthermore, at all times 90% of the money is on deposit, not 10% like in U.S.A. banks. The only thing missing is big name banks, but don't worry, there are plenty of options to choose from.

Like anything else, if there is enough demand, supply will come. Top banks are no exception, with hundreds of institutions having offshore branches to service their clients. To assist you to understand your options, we have listed a few of the major banks below which have offshore branches:

- Bank of America
- HSBC
- UBS
- Barclays Bank
- Deutsche Bank
- Royal Bank of Canada
- And many more...

With top name banks, more conservative banking strategies, and higher interest rates, there are not too many arguments against offshore banking. All you need to do is understand proper disclosure and the laws that protect you, and from there you will be set.

# Chapter 18

## *Summary of Tax Haven Jurisdictions*

# ULTIMATE

To assist you to become more familiar with the various offshore jurisdictions, we created a summary for each major tax haven. Remember, with the Private Interest Foundation you will always be in Panama. With your IBC, the country doesn't matter as much since you have the IBC / Foundation structure which eliminates ownership. Though it can be of some advantage to choose one jurisdiction over another based upon your specific goals, the corporate structure and secrecy laws are what will protect you in the long run.

### Offshore Jurisdictions

**Bahamas:** The Bahamas has been a well known offshore tax haven for over 50 years, and were one of the first pioneers of the IBC (International Business Corporation). In addition, it is an English speaking culture which increases the level of comfort for many account holders. By some, it has been referred to as a great place to bank, but we are not too convinced about that. In recent times, there has been an indication that the laws may become less protective in the near future in light of pressure from the U.S., UK, and British Commonwealth.

**Belize:** Belize is an independent British Commonwealth country located on the eastern coast of Central America, with a population of only about 350, 000. It was a British colony for more than 100 years, before it attained independence from Britain in 1981. Once it gained independence, Belize implemented strict bank secrecy laws which attracted attention. Overall, Belize is a good country in terms of protection, and though there are tax treaties, they are not applicable to IBC's. It is somewhere to consider if you are looking for opportunities with that region, but we would choose its close neighbor Panama as the final layer of protection, no matter what the circumstance.

**British Virgin Islands:** The British Virgin Islands is one of the fastest growing offshore financial centers in the world, consisting of a large number of hedge funds and money management institutions. Since the enactment of the 1984 IBC act allowing IBC's to form, there have been over 500,000 companies incorporated. This is a great country to incorporate and bank in, but it's even more ideal for starting an offshore investment fund. In addition, the only tax treaty they have is the MLAT, which is only a threat if you are connected with laundering money, drugs, or terrorism.

**Bermuda:** If you think about offshore tax havens, you usually think of Bermuda as one of the names that come to mind. Since it is close, residing only 600 miles east of North Carolina, there has been an influx of massive corporations who have opened accounts there. Most of the Fortune 100 and 500 companies in the world have accounts or holding companies in which they receive a number of benefits for structuring there. If the Bermuda IBC is structured with a Private Interest Foundation as the owner, then it can be a good choice to have a corporation there.

**Cayman Islands:** The Cayman Islands are a major supplier of banking and financial services. Literally millions of companies have been incorporated there. In addition, it is the home to a large number of hedge funds and other institutional money management firms. For clients who seek security, there are a number of well-known banks such as Bank of America, Deutsche Bank, Merrill Lynch Bank and Trust, and more. It is a good country to consider for incorporation or banking when structured properly, but has been given a lot of the wrong type of attention in recent years.

**Costa Rica:** The country of Costa Rica is another good tax haven in which to structure yourself, but they are a little different in their corporate structuring practices. Their taxes are next to nothing, but aren't equal to many of the more popular jurisdictions. They have strict bank secrecy laws which are protective of the client, and Costa Rica has been referred to as the "Switzerland of South America". If you are looking for privacy, Costa Rica can offer another layer of protection in your offshore structure.

**Cyprus:** Once a former British Colony, Cyprus has become a growing financial center since gaining its independence. With some of the best tax laws in the world and good secrecy protection, it makes it a very attractive offshore jurisdiction. If you are a European citizen, you may want to choose another jurisdiction for banking, since recent pressure has been put on Cyprus by the EU Savings Tax Directive. Either way, it is a great place for establishing an IBC, and can serve as a great option for your banking.

**Dominica:** The Commonwealth of Dominica is a very good place to consider placing your corporation. As of 1978, they gained independence from the U.K., and from there started to consider implementing bank secrecy laws. Finally, in 1996 the IBC act was passed and the classification as a tax haven shortly followed. Though we would not necessarily place our main banking there, it is a good place for your shell IBC.

**Dubai:** With the discovery of oil in 1966, and their favorable economic policy, Dubai has become one of the fastest growing cities in the world. It has also become a magnet for wealth, like most other tax havens, due to their extremely strict secrecy laws and stable economy. To refer to their favorable laws, there are no records of the shareholders or directors of any corporation structured in Dubai, and there is no taxation. With the growing economy and strict laws, it makes Dubai a great place to have money.

**Hong Kong:** If you desire incorporating in the eastern part of the world, Hong Kong is always a good place to consider. It is a very stable economy, and is very safe to shelter money. In addition, it is one of the largest financial centers in the world, having branches in 60 of the top 100 international banks. Laws are also very strict, requiring banks to have large assets to back their deposits so your money will be safe. The only bad side is that it takes three weeks to set up an IBC there, and though you get great tax benefits, they aren't slightly less favorable over some other jurisdictions.

**Isle of Man:** The Isle of Man is one of the world's leading offshore centers, and has been an attractive tax haven since the Banking Act of 1975. Since the revision of their banking laws in 1988 and 1991, they have since grown into a large depository for assets. Not only do they have a number of very well-known banks which have established there, but also very favorable secrecy and tax laws. It is a very good jurisdiction to start an IBC or bank account, but the due diligence they do on new bank accounts is very strict.

**Nevis:** After gaining full independence from the British, Nevis aimed to establish laws which would attract attention in the financial sector. Once they revised their secrecy and tax laws in 1985 (Confidential Relationships Act), banks started developing and deposits started to increase. Today, Nevis is a good place for incorporation and banking, primarily because there still isn't much attention placed there. If you are interested in using Nevis to its full benefit, you can utilize their IBC as the shell for the Private Interest Foundation, or you can choose it for banking since they are a number of well-known banks there.

**Panama:** The world's ideal offshore financial jurisdiction in terms of protection and tax laws is Panama. In addition, they are a thriving economy due to the evolution of the Panama Canal. They have no tax treaties, and there has never been a penetration of the Private Interest Foundation structure unless it was related to serious criminal actions. They do not work based on civil law, rather they honor Roman law. This protects the information of the account holder in next to all circumstances since they only consider a few specific serious offenses as crimes. If you want the best in privacy and protection in the offshore world, as we stated prior, the Panama Private Interest Foundation is the answer.

**Seychelles Islands:** The Seychelles Islands are an independent English speaking island nation located in the Indian Ocean. Since offshore legislation was enacted in 1994, it has become one of the top offshore centers in the world. In addition, with the recent growth, major banks such as Barclays and others have developed branches there. With very little pressure being put on by high tax authorities, it is a great place to consider placing your IBC or banking. In addition, within the coming years they may enact legislation to make the Private Interest Foundation available there as well.

**Switzerland:** The birth of offshore banking was in Switzerland during the 1930's. The secrecy laws they created have served as an outline for every major tax haven in the world. Currently, after over 70 years of scrutiny, offshore accounts in Switzerland are pricey and not as bulletproof as they used to be. When Panama created the Private Interest Foundation model, it was by intention, an exact replica of the old Swiss trust account but better. There are very few arguments in favor of banking in Switzerland anymore, but it is always the client's preference.

## *Summary of Offshore Jurisdictions*

If there is anything to remember from this section, remember this. It is not ideal to bank in areas that have been heavily overpopulated with offshore money in recent years. Though they may seem reliable, they are more likely to face increasing pressure from the high tax governments to reveal account information. **Remember, your IBC jurisdiction isn't very important, because it's just a shell to protect your Private Interest Foundation.** To ensure you are set up in the right jurisdiction, just focus on one thing, your banking. If you feel comfortable about the country and name of the bank where your money is located, then that's all that matters.

With so many jurisdictions that have developed over the last 20 years, there are various options to meet everyone's goals. The industry of offshore banking has dramatically grown recently, and is assisting many economies and clients around the world to thrive. Overall, both the people who take advantage of the opportunity and those who supply the opportunity, are receiving various benefits that are critical to remain successful. Now, with all of the information you already have, the only hurdle to overcome is finding a reputable service provider.

# ULTIMATE

# Chapter 19

## *Buying an Offshore Corporation*

ULTIMATE

In years past, it was next to impossible to find information about offshore banking, let alone a good service provider. Your options were limited to expensive tax attorneys, or tough to find offshore estate planners. Since it was such a hard service to find, offshore banking providers became quite expensive, making it unaffordable for the typical person. This continued for over 40 years, until the Internet flooded the offshore market with tons of information and product.

### *The Internet Changed Offshore Banking Forever*

With the implementation and rapid evolution of the Internet, things have changed forever. In the past, you were stuck in a situation with few offshore options, but at least you knew they were reputable. Today, you are flooded with offshore service providers, but it's harder than ever to know who to trust. The fact is, there are 1000's of offshore companies out there offering services, but 99% are not worth the money or time. **You must choose carefully to ensure you are fully protected, otherwise you will end up with an "incomplete offshore package".**

Though there are very few incidents of fraud with offshore service providers, there are plenty of "incomplete packages" that are sold. These packages will fail to include necessary documentation, or other essential aspects that ensure you are protected. In addition, most offshore providers are obviously offshore, so charge backs will be mostly ineffective if you are not satisfied. Think about it, you are sending money to an offshore private company. What is their incentive to refund your purchase if you weren't completely happy?

For those who would like to save themselves from time waste and frustration, we have provided information on the top five offshore companies in the next chapter. On the other hand, if you are brave enough to venture out on your own, here is a list of criteria we feel an offshore provider must meet:

- Secure Payment Medium
- Good Customer Service
- Available Anytime Needed
- Good Knowledge of Points in this Book
- Introduces You to Top Banks to Open Accounts
- Introduces You to Attorneys to Make Changes if Needed

As promised, for those interested in locating the best companies on the Internet, we have provided a case study on the offshore market in the following chapter. To compose this list, [it took several years of research and failed purchases to understand how to attain real offshore protection](#). Why waste your valuable time and money, when we have done the leg work for you?

# ULTIMATE

# Chapter 20

## *Top 5 Offshore Service Providers*

ULTIMATE

Rather than scour the Internet for months choosing from the hundreds of sales pitches for offshore services, we made it simple for you to locate a good offshore provider! To ensure your success, we used a step-by-step process to eliminate the companies which provide poor services, leaving you with only the ones we have personally used and trust.

After extensively researching the Internet offshore market, we created a list of the 100 most reputable companies and critically investigated their information, customer service, professionalism, experience, availability, and pricing.

Most of the companies we investigated did not offer Private Interest Foundations or similar structures, so they were of no worth to us. Once we narrowed down the initial 100 offshore firms to the top five, we again placed orders, and critically analyzed the entire purchasing process and product.

### *InsideTradeLLC.com*

**Rating:** A-

**Pros:** Great Customer Service, Great Knowledge of Product, Top 25 Bank Introductions, Great Knowledge of Banking World, Trusted Payment Methods (Paypal), Annual Fees Included in Price, Based in U.S.A.

**Cons:** Higher Price, Closed Weekends

**Order:** They provided a very professional and thorough offshore package, going way beyond the call of duty. They seem to want your repeat business with the investments offer, so they use this as a way to develop trust and rapport in their product. With the package, we got a list of well-known banks to choose from. Also, we paid through PayPal and got a tracking number for our package, which was quite nice.

**Summary:** We spoke with the people at InsideTrade LLC, based out of the U.S.A., and they couldn't have been more helpful. They seemed to have the answer to all of the questions we had. They also were happy to offer us as much time as we needed, which was very important to us. Currently, they work with large hedge funds, and they told us they use offshore packages for lead generation primarily, not revenue. Seeing that this was a low-ticket item in relation to other things their site offers, and that they were based in the U.S.A., made us even more comfortable dealing with them.

## *Can-Offshore.com*

**Rating:** B

**Pros:** Understands Canadian Clients Well, Great Website Design, Long [History](#) (1996), Very Informative Content on Site

**Cons:** Higher Price, Payment to Offshore Merchant, Hard to Reach at Times, Few Jurisdictions to Choose From

**Order:** The order came and it was a good package, covering all of the basic documents needed. In addition, they do offer a special program to assist you to understand how to transfer money in the form of a loan on and offshore. We have already explained that to you in this book, but it's a nice feature.

**Summary:** We spoke with a representative from Can Offshore, based out of Belize, after many initial call attempts to reach them. Can Offshore is a very well put together site in terms of information and design, but it seems a little pricey for what they are offering. The documents they sent for our order were good, but they were tough to reach for follow up questions, and, in our opinion, the customer service is worth a large portion of the asking price.

## *OffshoreLegal.org*

**Rating:** B -

**Pros:** Low Prices, Good Knowledge of Panama Law, Daily Business Hours, Good Customer Service, Local Bank Introductions, Informative Website

**Cons:** Lack International Law Knowledge, Can Only Set Up in Panama and Belize, Payment to Offshore Merchant, Few Jurisdictions to Choose From

**Order:** The order came with all of the correct documents, but nothing extra like some of the other firms. It came in a timely manner, and they assisted me to feel comfortable. The package is good, but it seems we may eventually need to have some things adjusted which could cost a little more money.

**Summary:** We spoke with a representative from Offshore Legal, which is based in Panama. He was very open to answering our questions, and had a good knowledge of Panama and Belize law. If you are interested in these jurisdictions exclusively, they seem to have a good sense of the laws. Prices are lower, and they are available any time of the week.

## *SterlingOffshore.com*

**Rating:** B

**Pros:** Good Prices, Good Customer Service, Good Knowledge of Seychelles Laws, Online Chat Access

**Cons:** Payment to Offshore Merchant, Need Better Understanding of Offshore Secrets, Few Jurisdictions to Choose From, Short Business Hours

**Order:** The order arrived and it covered the basic documents. It took a little longer than expected, but it was comprehensive and we were generally happy.

**Summary:** When we spoke with the people at Sterling Offshore, based out of the Seychelles Islands, we felt they had a good knowledge of the business. In relation to the others we spoke to, they seem well-informed, but unaware of many of the secrets people should know about operating your offshore structure. They are very well-versed in Seychelles law, which is a good country to incorporate in, but they have less experience with other countries. In all cases, it is good to have a competent offshore provider to contact when you need information.

## *Panama-Foundation.com*

**Rating:** B-

**Pros:** Low Prices, Various Services, Good Knowledge of Panama Law, Good Information on the Site

**Cons:** Payment to Offshore Merchant, Few Jurisdictions to Choose From

**Order:** The package came with the necessary documents to get us started, but it wasn't as complete as other packages we received. Also, we only had a few jurisdictions to choose from for the IBC, so we ended up with inferior protection than if we had just paid more.

**Summary:** We spoke with the people at Panama Foundation, and they were well-informed on their local law, but lacked a strong background in international law. To get to the point, the Panama-based offshore providers are all the same. They will know the local laws well and will funnel everyone into setting up all Panama structures, but they lack to understand that multiple jurisdiction knowledge is very important. The prices are great, but then again, we are not as concerned about price because this is an investment that will protect the majority of our assets. Going cheap on this can be your worst mistake ever.

## *Conclusion of the Market Analysis*

This market analysis on the Internet offshore market should assist you in finding a company that meets your needs. **Always remember, the quality of the product is most important, not the price.** You want an offshore structure which you can always rely on, not one that leaves you exposed to various risks.

After completing this manual you will not only have a good idea of who to choose as an offshore service provider, but also a full understanding of how to use the structure to its potential. Most people who have recently set up offshore corporations since 9-11, lack the knowledge and the correct structure to avoid threats. In the next chapter, we will review the key points, assisting you to gain a full knowledge of the entire picture.

# ULTIMATE

# Chapter 21

## *Frequently Asked Questions*

### *Review*

# ULTIMATE

By now you should understand the gravity, as well as the potential afforded, of structuring your assets offshore. To summarize some of the key points over the course of the book, we have provided a frequently asked questions section below. We have provided what we consider a comprehensive review of important information for you. Each question summarizes a key point which should be considered when starting and maintaining your offshore structure. [If you know the answers to these questions, in addition to what you have read, you will literally know everything possible about modern about offshore banking.](#)

### *Getting Started - Offshore Questions*

[Should I use someone in the U.S.A., or someone who is structured offshore?](#)

It is really your choice whether to use a U.S.A.- based offshore service provider or not. We felt the most comfortable sending money to someone in the U.S.A., but you can choose from the list of companies we provided to see which meets your needs best. The major thing to know about offshore companies is there is usually a lesser degree of customer service, and you will never get your money returned if you initiated a charge back.

[If I send a payment for a corporation to an offshore company, and they don't give me what I asked for, can I get my money back?](#)

When you send payment to someone offshore, they can honor the request for charge back, but they really have no incentive to do so. Once the product arrives at your door, they consider that you have already spent the money to get you what you paid for. If you are dissatisfied, then more often than not, there is no formal recourse to have your payment returned to you, or to have any issues resolved..

[Why should I choose an experienced offshore consultant to structure my account? Can I just buy it from anywhere?](#)

If you want to buy your offshore corporation from just anywhere, you are leaving

yourself open to a lot of possible problematic variables. You can have companies that provide bad product, or a number of other circumstances can develop. In addition, you always must have someone to contact if you have questions about how to understand and structure things. When you buy from the place with the lowest price, a lot of the time, you are left with no one to contact or follow up with after the sale. This can lead to additional expenses and a growing frustration with the entire decision. We believe that the company's customer service reputation is key.

When you say that many offshore service providers sell “incomplete packages”, what do you mean?

The phrase “incomplete packages” refers to the idea that these services are sold in pieces and are not fully comprehensive. There may be incorrect and insufficient documentation, or other various issues. When purchased from an inferior offshore company, you must buy one thing after another to get a complete structure, along with attorney fees to make it legally sound. Many of the less expensive offshore firms offer packages which do not include some of the most important documents, leaving you unprotected. Once you have to pay for the additional services to get everything set up correctly, you actually pay more than you would have if you had initially spent more money to buy the complete package. Remember, price is important, but it should never be the key determining factor when choosing an offshore provider.

Do offshore service providers cover all starting fees in the price, and remind me of all fees when they are due?

Most of the less reliable offshore companies do not cover the initial annual fees, but the better ones typically do. That is something you always want to ask them when setting up the offshore account. Also, most good offshore service providers should let you know at least 60 days before annual fees are due to maintain good standing. The cost of the fees depend on the provider, but once again, it is most important to know that they are on the up and up, so don't focus too much on the small difference in these costs.

If someone is offering me a bearer bond corporation, is that going to protect me? Are there any problems with bearer bond corporations?

Bearer bond corporations used to be widely utilized in the years before 9-11. Since then, there have been a number of restrictions that have been added in regards to their use. Though they can still be used when corporations are formed in Panama, it is not recommended since it may delay the opening of a bank account. Either way, it still can benefit you, but it should not be the first preference.

### *Offshore Corporate Structure Questions*

Is the Private Interest Foundation illegal to own in the U.S.A. or European Union?

First of all, no one owns a Private Interest Foundation. In addition, there are no laws in the European Union or U.S.A. which prohibit Private Interest Foundations from being used. Since you can't own the Foundation, it is basically impossible to regulate. Most laws cover individual offshore banking and ownership of entities offshore, but in this case you are doing neither.

Is there anywhere else I can set up a Private Interest Foundation, other than Panama?

Currently, Panama is the only country that offers the Private Interest Foundation. Though Switzerland still does have the Foundation model in place, it is very outdated and nowhere near as protective as the Panama Foundation. In the near future, there should be other countries which add this structure to their offerings, but as of now you only have one reliable option. Currently, the Seychelles Islands are the first to propose a similar Foundation act which may be in effect as early as 2009, but there is no official confirmation on any of the details.

## How can I use the assets of my Private Interest Foundation for various expenses such as healthcare, travel, living accommodations and more?

Once you are assigned as the Protector or investment manager of the Foundation, you can do as you choose with the funds. This can include health related costs, living expenses, travel expenses, and a lot more. There are no restrictions on the use of the money by others, since you are the one who creates and enforces the rules. This is just part of the beauty of having a Private Interest Foundation.

## Do I need a business license for my offshore IBC or Foundation? Do I need to report anything to the countries in which I am domiciled?

If you are structuring yourself offshore, you would think it would be hard to maintain, but it really isn't. There are no reporting requirements, no taxes, no business license needed, and many other benefits. All you need to do is make sure you pay your annual fees, keep in good standing in your home country, and you will be set for long term protection.

## Can I be placed as an employee of the IBC and receive a salary? Does this eliminate any legal connection to ownership?

If you choose, you can set yourself as an employee of the IBC, and receive a salary each year. This will eliminate ownership and all activities related to it. Your duties can be to sign off on the bank account transactions, or whatever you choose to remove legal connection to you. All of the details are completely determined by you, and there are many options to choose from in terms of structuring your company. When you are an employee of an IBC, and the foundation is the owner, there is no way to legally state you have ownership.

## If I owned just an IBC, and was the director, is that a safe structure for me?

If you just owned an IBC, and were not on public record, you would still be breaking the law in most high tax countries. Even though it would be tough if tax

authorities could ever prove that you held assets offshore, you would be evading taxes if they weren't reported. The only way to remove ownership is to have the Foundation own the IBC. As we stated before, a lot of people set up IBC's without the Foundation, leaving their clients unprotected due to their inexperience and lack of empathy.

**What is a bearer bond corporation, and how is it structured? Also, what are the benefits and drawbacks?**

The bearer bond corporation was established under the premise that whoever was physically holding the bond, would be the owner of that corporation. This gave people the ability to transfer ownership outside of public record, and keep their corporation anonymous. Since 9-11 things have changed, and many banks are unwilling to work with bearer bond corporations anymore. In addition, most countries have eliminated the option for setting up corporations in that manner. Though it still can be used, the only country which can still set them up is Panama.

**Once I set up my offshore corporation and foundation in a specific country, can it be moved to another country if I choose?**

At any point in time, you can choose to relocate your corporation or foundation. This can be done for one of a number of reasons, and it is relatively simple to do. All you need to do is contact your offshore services firm, or the attorney they introduce you to, and they will immediately restructure it as you choose. This is good to know for people who want to avoid feeling locked down to a jurisdiction. Remember, the option is always open.

**What are the minimal requirements to start a Private Interest Foundation?**

The following information, listed below, is the minimum needed to start a Private Interest Foundation.

1. Name desired for the Foundation.

2. Initial patrimony of \$10,000 USD to the Foundation bank account (90-day grace period).
3. Names and addresses of the members of the Foundation Council, which can be no less than three members (nominees are provided in most offshore packages).
4. Name of the Protector of the Foundation.

Most offshore service providers will ask you for all of the information needed to start your Private Interest Foundation, so you really don't need to worry about the information above. It was provided to show you the minimal information required to get an offshore foundation established.

### *Offshore Asset Protection Questions*

If the offshore services company which I ordered from was investigated for any reason, can my records be viewed since I signed up with them?

If the company which establishes your offshore corporation was asked to reveal information on the accounts, it would not. First of all, the records of these accounts are kept on encrypted servers in offshore jurisdictions which could never be accessed by those seeking information. Second, the company would open themselves up to further investigation by complying with the initial request for information. In essence, your information is as good as shredded when you sign up with a professional offshore services firm.

Can I do buy/sell transactions through an attorney? Can this help to protect me even more to ensure the purchaser or seller doesn't know my company name?

If you choose to add an additional layer of privacy to the purchasing or selling of assets, you can have an attorney make the purchases on behalf of the Foundation. Though this is not necessary for privacy or protection, it ensures that the

true owner or seller is never revealed. This can be an option to consider, but as I stated before, it is not necessary. If you do choose to utilize this option, always make sure you are working with an attorney whom you trust in full.

### Can I create a Confidentiality Agreement between me and my corporation which states that I cannot reveal information? How does this add to the protection?

Yes, that is actually a very good idea for additional protection. Once again, it's not necessary, but it can add to the obstacles to overcome for those seeking information. All you need to do is have the letter drawn up by a Panama attorney, and keep it for any emergency purposes. It would outline the extreme fine, and the jail time that would come as result of revealing information. If someone was to try to extract information, you can show them the Letter of Confidentiality and they would be obligated to stop seeking information from you by international law.

### Can I put a lien on my own domestic assets by my offshore corporation? How would I do that, and why would it protect me?

Actually, putting a lien on your own assets is one of the most effective methods ever to protect what you have. If you have assets located within the country you reside, (ex. cars, boats, planes, houses, etc.), they would be exposed to possible liquidation if a lawsuit occurred. Instead, if you were savvy, you would have the offshore corporation put a lien on these assets to protect their worth. Even if the worst case scenario developed and your assets were liquidated, you would be paid first as the lien holder. The one exception is if the lawsuit or charge was from the government and not an individual or corporation. At that point, the government is always paid first.

If there was a lawsuit of some sort against my Private Interest Foundation, would that go on the public record?

First of all, you should never engage your Foundation in an activity where it exposes itself to lawsuits. In addition, the name of the Foundation should remain mostly secretive, and your corporation should be used in basically every business deal you do. When investing and setting yourself up long term, think about the Foundation, but never when doing commercial for-profit business.

If you ever were sued under your Foundation name, it never has to appear on public record since cases can be handled through arbitration. If you state in your Foundation Charter that you want all cases to go through arbitration, then you will never have a chance to endanger your foundation name.

If I am sued, do they consider the Private Interest Foundation to be a related or separate entity?

If you are sued, there is no way to attach the assets of the Foundation to your name for judgment. By Panama law, the foundation can not be owned, and is for the general benefit of a group of people. This removes ownership, and the chance of obtaining any fiscal judgment in a law suit versus a Private Interest Foundation. There is no way to overcome this law, unless you are committing serious crimes that are punishable in both countries involved.

ULTIMATE

If I transfer assets into my Foundation account, can anyone get to the assets besides me? Is there a period until the pledge becomes irrevocable?

Once you transfer assets into the name of your Foundation, there is a three-year period before that pledge is considered permanent. For example, if you were to deposit money today, three years from now it would be completely inaccessible for any lawsuit no matter what the circumstances. There is really no way that anyone would be able to access your money through a lawsuit anyway, but add this law in and it is impossible.

## If I wanted to, can I have a Private Interest Foundation own another Private Interest Foundation for double the protection?

It would really be unnecessary to consider creating another Foundation unless you were already on trial with a charge against your current Foundation. Remember, all funds are not frozen until the judgment is complete and that takes years in an international case and Panama court. No one but you ever really knows about creating a Foundation, so you could have each Foundation owned by another and another for as long as you wanted. It sounds like a good idea, but it really is not necessary.

## Is there any way my assets can be seized or repatriated from the country that is seeking information?

When you get your offshore package, there will be a Letter of Instructions for your foundation. In your Letter of Instructions, you can state that your funds under no circumstance can be repatriated to the country the lawsuit is in. This is a common problem with poor offshore structuring. Not only can the government seek charges, but they can take all of your assets. With the structure of the Panama Foundation, there is no way that funds can be repatriated, frozen, or anything unless you have committed one of four very serious crimes (money laundering, terrorist activity, drug affiliation, or child pornography).

## If I am going through a divorce, can this offshore structure protect everything I own? Would I still need a prenuptial agreement before marriage?

First of all, never mention any information about offshore accounts to anyone you know. If your spouse has prior knowledge of your offshore accounts, then they will know where to start digging. If you are clean in terms of your business and reporting, then regardless of how much they dig, you really have nothing to worry about. The corporation and the Foundation are not owned by you so they cannot be related to any judgment against you. Also, you can replace the need for having to create a prenuptial agreement before marriage by structuring yourself offshore.

## How do I protect my assets from liquidation if I am in a current lawsuit?

If you are in a current lawsuit, and you don't have an offshore corporation, you can choose to purchase a shelf corporation, which dates back to the time before the incident. In that case, it will protect you from looking like you set up the corporation after the incident. After that, if you choose, you can move any assets you have to safe places. It is always best to send it to an IBC (1), then to another IBC (2), then to the foundation which owns that IBC(2). This leaves multiple jurisdiction laws to break through for anyone seeking information.

## If I was to die or something horrible was to occur, what happens to my assets and foundation?

In the Letter of Instructions, you can structure it entirely as you choose. There is no standard format for the letter, so you can address any circumstances you want. You can go over numerous different scenarios and spell out exactly how the Foundation assets would be distributed if these situations were to occur. For example, you can even have stipulations stating that your current spouse is Beneficiary, but if you get divorced your other family member would become sole Beneficiary. There are really limitless options, since you define the format in relation to your expected future circumstances.

## If the government was seeking information for my offshore accounts, could they access it?

If the government was seeking information on your Panama Private Interest Foundation, there would be nothing they could do even if they could access details on it. The only way you will raise enough red flags to have them ever research your IBC/Foundation is through disclosing things improperly. For example, if you sent a wire into the U.S., but didn't disclose it as a loan or payment for services, you would be the ideal candidate for an investigation. Even if an investigation was to go through, the assets in your Foundation would never be at risk unless you committed one of the four serious crimes which Panama will open records for (money laundering, terrorist activity, drug affiliation, or child pornography).

## If I was charged for an illegal activity, do my assets get frozen during the trial?

If you were charged with a crime, your assets would never be frozen until the trial is complete. This is a Panama law, unlike how things are structured in the U.S. If you are even accused of a crime in the U.S., the prosecutor can move to have your assets frozen until the trial and judgment are complete. This is a great layer of protection, since trials can take years to complete in Panama when related to international cases. The only exception to this, once again, is for those who have committed one of the four serious crimes we have listed prior. For Panama to recognize the crime, there must be clear and undeniable evidence supporting the claim from the country which is making the accusation.

## *Offshore Banking Questions*

### Can I open an individual bank account with no corporation, and still get the same benefits of offshore banking?

Opening an offshore bank account without a corporate structure is very risky if you choose to not report the account. If you did report it, and were taxed, what would be the point of having the account? By law, in most countries, you must disclose any individually owned offshore bank accounts. If you do not you are breaking the law. In essence, if you have any offshore accounts without the corporate structure attached, it is next to worthless in terms of protection.

### When I open my offshore bank account, do they require the original corporate documents to open the account?

When you are opening an offshore bank account, most of the time they do not require the original documents. In some cases, such as Barclays, they do require the original documents, which would require you to send them via courier to the bank location. Most of the good providers of offshore services will assist you to provide the necessary documents to your banks if they are requested. This is something that is very important, since many people are very uneasy in sending their original documents, being they just paid thousands of dollars for them. If the banks do not require the originals, they will just ask for the scanned or faxed copies to initiate the opening of the account.

When I open an offshore bank account, is there a minimum needed to get the account opened?

When opening up an offshore bank account, you need both a corporate and Foundation account. For the corporate account, your minimums are very low, and sometimes only a few hundred dollars. When you are introduced to the banks, they will state what their minimums are, and you can choose based upon that if you like. For a Panama foundation account, it initially requires a \$10,000 pledge within 90 days after initiating the Foundation. Once you pledge that amount into the account, you can choose to keep as much or as little as you want, as long as it exceeds \$10,000.

Do I have to personally visit the offshore bank where I want to open the account?

No, that is a typical misperception of most who don't understand offshore banking. As we stated before, you can send in all necessary documents through email, fax, or if needed through courier. All you will need are the corporate and Foundation document and proof of identification. No bank will require you to fly in and visit them to open an account. This would dramatically reduce their account openings, which would in turn reduce their capital. They would be shooting themselves in the foot, and would lose a lot of prospective clients.

Can I hold my bank account in different currencies to protect from fluctuations in currency rates?

Yes, you can hold your account in a different currency than your domestic country. This would allow you to have bank accounts in any of the major currencies in the world. Also, it would be helpful if you speculated about the value of different currencies in relation to others in the future. If you bought the Euro and then it went up in value against the USD, you would earn profit, which if done correctly can be rather substantial. Before you open an account and choose what currency to hold it in, it would be good to either study the markets or speak to a currency trader and get their opinion on the near future. This may assist you to make the right decision, and earn a lot of profit you wouldn't have had.

## How do I want to structure my bank accounts for the Private Interest Foundation and IBC? Which do I use for daily business, and savings?

Your corporate structure is for daily business, and transfers in and out of the country. For anything related to commercial for-profit business, you must always do it through your IBC account. This is used to keep your Foundation out of harms way. In terms of your Foundation, it is used to accumulate and protect wealth. It can invest and purchase assets, but you never want to put it into a situation where it is at risk. It can be thought of as your savings account, while your corporate account can be used as the checking account.

## Do I get higher interest rates with offshore bank accounts than most domestic banks?

Yes, you get higher interest rates in offshore bank accounts, versus the traditional domestic bank accounts. In domestic accounts you may get 3% or so, while in offshore accounts you can get 6% or higher in many banks. In addition, when you collect interest from a domestic bank it is taxable, but in offshore banks it is not. This is just one of the many reasons offshore banking is attractive.

## What are some of the top banks that have offshore branches? Why do they choose to open offshore branches?

Most of the biggest banks in the world have offshore branches. These include HSBC, Barclays, Bank of America, Credit Suisse, UBS, and many more. The reason these banks set up offshore branches is to take advantage of the growing demand for offshore banking. As with anything else, everyone is in business to make money. If there is enough demand, then there will always be supply that will develop to meet it.

## What are the punishments for anyone who would reveal the information of my offshore account?

For anyone who has revealed the information of an offshore bank account, there are very serious penalties. These can be immediate job loss, \$50,000 or more in fines, and several years in jail. The laws were created with the intention to punish those who commit these offenses excessively, lessening the chance of the actions occurring. This is a key element to ensure bank secrecy laws are upheld, and exists in all major tax havens.

## When I open my offshore bank account, how do I get an ATM/debit card?

When you open your offshore bank account, you get access to all of the same features your domestic bank would offer you. One of these features is an ATM card, which allows you to withdraw money at any ATM in the world. Once you open your account, you just need to make the formal request for the debit card. Once it arrives, you can use it as you choose for withdrawals and payments, just as you can with any other debit card. This leaves you with all of the benefits of offshore banking, without any limitations to accessing immediate cash.

## How does using the ATM card not get associated with my name? How does it work when I withdraw money?

When you withdraw money from the ATM, the numbers on the card are recorded, not the name. Remember, the numbers are associated with a corporation, which is owned by a foundation. So even if they were to trace the withdrawals back to the corporation, that would be end of the investigation since the foundation owns it. In essence, since there is no owner throughout the corporate structure, there is no individual to associate the taxes with. This is a great way to access money, without the need to disclose much of anything.

## *Offshore Tax Related Questions*

**If I have a trust account offshore, is that illegal to not report on my domestic taxes?**

If you are the beneficiary of an offshore trust account, you must report the appropriate information to the tax authorities. If you do not, you can be investigated for tax evasion, which is not good to say the least. Trusts are no longer used, since the laws have changed in 1996, and have been replaced by the Panama Private Interest Foundation.

**Do tax authorities have information on offshore bank accounts, or do they just rely on your disclosure?**

The tax authorities do not have information on offshore bank accounts unless they are being investigated for serious crimes. The only thing tax authorities can rely on are the records of money coming in and out of the country, and your disclosure of information during your yearly tax reporting. Other than that, they really have no sources to obtain information on offshore accounts since they are protected by bank secrecy and confidentiality laws.

**If I own an IBC and do not report that I own a foreign entity, is that evading taxes?**

If you own an IBC, and you do not report it, you are breaking the law in most high tax jurisdictions. Most people are still setting up offshore structures this way, not realizing that they are committing tax evasion by breaking the CFC law. This is a sign of inexperience, and must be avoided if you want to protect yourself in full.

## *Miscellaneous Offshore Questions*

What are the best and worst offshore jurisdictions in which to set up your corporation, foundation, and bank account?

As we stated before, the foundation owning the corporation is the most important part. This gives you the legal layers of protection you need. In addition, if you structure yourself with your corporation, foundation, and banking all located in different countries, then you will have far more protection. Some good countries to consider for your IBC are the Seychelles Islands, British Virgin Islands, Belize, Hong Kong, and Nevis. For your Private Interest Foundation, it must always be set up in Panama. Lastly, your banking should be wherever you feel comfortable, but we recommend international top 100 banks.

Can I legally state that I do not own any assets offshore when using an IBC/Foundation structure?

If you are a protector of a Private Interest Foundation, which owns an IBC then you do not have to state that you own the assets. The reason is simple, by law you truly don't own the assets. Remember, the IBC, is owned by the foundation which has no owner. This leaves you with no ownership throughout the entire structure. Always remember though, proper disclosure is the key to everything. If you disclose your information and money transfers properly, you should never encounter a situation where they ask you that question.

If I run a company already in my home country of residence, can I make myself safer through using an offshore company to own it?

If you own a company in your home country, you would receive great benefit from having that company be owned by an offshore IBC. This would allow you to send all revenues offshore, saving money while increasing privacy and protection. An important thing to remember is, you always want the offshore IBC to own a Delaware or Nevada LLC, not any other state in the U.S.A. This is due to tax and privacy laws that are in place in those states. If you have a corporation

in another state, simply place the Nevada/Delaware corporation as the owner of that local company, and then the IBC as the owner of the Nevada/Delaware corporation. The offshore IBC would be owned by the foundation, which would leave no owner anywhere throughout the structure. If you are located outside of the U.S.A., you can place the IBC as the full owner of your company and would receive the same benefits.

**Is this the same offshore structure that most celebrities and government officials use?**

Most of the celebrities and government officials have a large amount of assets, but do not want the public scrutiny. With that being true, they structure offshore accounts as well, like anyone sensible would. If you were on the news everyday, or subject to public pressures, wouldn't you want your assets privately protected? I am sure you would. This is one of the first things anyone wealthy does when big money starts to come in. Increased attention may be a good thing when it comes to your career, but it is the last thing you want for your assets.

**What would happen if offshore bank accounts were eliminated? Is that even possible?**

Offshore banking will never become eliminated. The tax havens which provide these services rely upon the offshore banking system and its associated laws to keep their economy thriving. In addition, offshore banking is used by some of the wealthiest in the world, and many of those using it are the same people creating the laws. No matter what develops in the future, you can be sure of two things: offshore banking will always exist, and despite the new laws, there will always be a way to do it legally.

## How can I transfer and access money from my offshore account legally, without raising any red flags?

If you want to transfer money from your corporate offshore account, it must be disclosed in the form of a loan, repayment of a loan, or payment for services rendered. If you are transferring money from your foundation, you can disclose it in the form of a donation or grant. It is always smart to have these transfers be made to a local corporation, rather than an individual. The most important thing is ensuring you disclose things appropriately, to ensure you act within your local laws. In addition, you always have access to your money through the debit card you will be given as well.

## Is most illegal activity, such as terrorism, drugs, money laundering, all done through offshore bank accounts?

Though that is the stigma associated with offshore banking, it is far from true. Of course, there have been incidents associated with offshore bank accounts, but that is of having a bank. In the recent past, there is far more illegal activity and laundered money flowing through U.S.A. and high-tax-country accounts. If a criminal wanted to open a bank account, it would be a lot easier in the U.S.A. than it would be offshore due to the different standards they follow. In addition, most illegal activities need money close to them, so keeping it offshore would not be of much benefit since they would need to send in large sums to perform their crimes.

## What is a tax treaty? Why is it important to understand as an offshore bank account holder?

Tax treaties are agreements between a high tax country who is seeking information on the offshore accounts of its citizens, and the offshore country. Since it is typically not in their best interest, most tax havens do not follow this request to sign a treaty. The countries which choose to provide information on earnings and accounts, have done so due to the increased pressure from the countries they depend on for imports and other various things. This is something to pay attention to if you are a European citizen, but is not something to worry about if you are using the IBC/foundation structure since you do not have any legal ownership.

If I have an e-commerce site, can I have all of the profits sent directly to my offshore account?

If you have an ecommerce site, you can set up things up so all of your profits are completely directed offshore. Since you are doing business in cyber space, and not any specific local area, you can have the website owned by anyone in the world. If you already have a website and company, and want to receive the benefits of offshore banking, you can simply start an offshore company and have it become the owner of the existing company listed with the website. E-commerce owners stand to benefit as much, if not more, than anyone else by banking offshore.

What are some things that I should be sure to not do with my offshore bank account?

When banking offshore, there are a few things you need to make sure you don't do. First, do not send money without properly disclosing it. This will always lead to undesired situations, since things will not add up when it comes to tax time. Second, never pay your local utility bills directly from your offshore account. Third, do not tell everyone about your offshore bank account, since it defeats the entire purpose. Lastly, review the secret tips in this book and make sure to follow them religiously. It is always better to be exercise great discretion than to be sorry.

When did bank secrecy laws and offshore tax havens first start? Are they still as secure today as they once were?

Bank secrecy and tax havens were founded shortly after the Swiss Banking Act of 1934. Once the law was put into effect, large amounts of the world's wealth started to transfer into Switzerland. Many of the countries with little resources started to consider offshore banking laws, due to the success of Switzerland, and many tax havens started to develop. Today, it is much harder to protect yourself offshore due to the new laws, but if you have an IBC/foundation structure, you will still receive the numerous benefits of banking offshore while being fully protected.

## Can I invest in the financial markets with my offshore corporation? Are there any benefits versus domestic investing?

When you have an offshore corporation, you have a number of additional options to consider when it comes to investing. First of all, you are not susceptible to taxes on your investment gains when investing as an offshore company. In addition, as an offshore company, you have access to all of the major markets in the world in which to invest and trade. These markets offer much higher returns, which wouldn't be available when investing domestically. Also, you have access to higher interest rates for your bank accounts, among other things.

## Is it important to have a Nevada or Delaware corporation if I am doing business here in the U.S.A., and own an offshore company?

Nevada and Delaware corporations have more strict privacy laws to protect the owners of the business. In addition, they have more favorable tax laws than any other state. This makes it a great option to have if you are doing business in the U.S.A., since you can place the offshore corporation easily as the owner. If you place the offshore corporation as the owner, then you can transfer all revenue offshore to your "parent corporation". This leaves a much more favorable situation all around for you, and is much better than owning the domestic company for a long list of reasons.

## Is my money safer through offshore bank accounts than in my home country? If so, why is that?

Money in offshore banks is safer than money in domestic high tax jurisdiction banks. One reason is that your money can be frozen immediately when facing an accusation if it is not located offshore. This is just one of a long list of reasons that offshore banks help increase asset protection. What about banks failing? Well, the USA has demonstrated very clearly that their lending practices are much riskier than offshore banks. Offshore banks do not engage in predatory lending or risk investments in third world countries as domestic banks typically do. In addition, 90% of the money deposited must be on hand with an offshore bank, while only 10% must be present for domestic banks. If these points don't make it clear which is safer, I don't know what else could.

## When an offshore law firm signs me up for the corporation and foundation, am I on the public record in those countries?

If you are set up by a professional offshore service provider, you will never be on public record. They will include the mandatory three nominees who will be on the public record, but the nominees will never know of your name or information. Once you get your offshore package, there should be a Letter of Resignation from each of the nominees, displaying that they have no control over anything related to the corporation/foundation. This is simple for most legitimate offshore service providers, but the poor offshore businesses typically leave the nominees out. This would leave you at risk and on the public record.

## Why is it best to have three different jurisdictions for your IBC, Private Interest Foundation, and banking?

When you set up the corporation, foundation, and bank account all in one country, you are not utilizing the full potential of offshore banking. If you have them all in separate jurisdictions you will have three layers of secrecy laws to overcome if someone was to seek information. Trying to get through all of those secrecy laws is next to impossible, but getting all of the countries to cooperate for a charge is even harder. The only way this structure can be overcome is if the account holder was involved in one of the four previously mentioned crimes. This would leave all countries forced to cooperate, since most have signed treaties to reveal information for those certain severe crimes.

## Who are the major people who would benefit most from offshore banking?

The people who could benefit the most from this structure would be those with high risk occupations, large assets, businesses and more. In essence, if you are doing business across state or country borders, or if you want to protect your assets, you are a perfect candidate for offshore banking. Whether you are owning a local coffee shop, or an international business, there is always a way to incorporate offshore banking into the structure. Doing this will increase your overall profit, while decreasing the risk associated with your business.

## What is the difference between Civil and Roman law, and how does that relate to offshore banking?

Roman law is a legal system which still remains in Panama, and very few other countries. It assists those who are structuring offshore by increasing their asset protection, amongst other things. It classifies only a very few actions as major crimes, and does not honor many of the things civil law does. For example, if you were to have a divorce in the U.S.A., the spouse would be entitled to a certain portion of the assets. In contrast, Roman law does not consider that an enforceable situation where the assets must be split. Only very serious crimes are considered under Roman law, and anything less will not hold up in court.

## Why do offshore tax havens have these favorable laws? Does it help their country?

Offshore tax havens typically have little to no export product, and rely primarily on offshore banking and tourism for their economies. Without offshore banking, they would be completely dependent on tourism, which would be quite tough to sustain an economy on. For this reason, they created favorable banking laws to attract wealth to their local banks, in an effort to stimulate an economy in desperate need of capital. Without offshore banking, many of these economies would fold, hence the strict privacy and tax laws. This is how Switzerland became the center of the world's wealth, and now others are attempting to follow the lead.

## Can you do business as an offshore company, while working with an employer in the U.S.A., in an attempt to avoid taxation?

If you were to be a consultant or independent contractor for a business in the U.S.A, you could be paid directly into your offshore corporate account if you choose. The only restriction, typically, is the willingness of the employer to send money to an offshore account for your payments. If you are a consultant or contractor, you can start a LLC, and have the IBC own it. This will allow you to send profits offshore, and receive the benefits of offshore banking, while doing business in your home country.

## Can I deposit my money into a local branch of the offshore bank of which I am a customer? (ex., Barclays New York)

Yes, you can deposit checks directly into your offshore account at a local branch. Since you are a Barclays customer, you can use any branch, no matter where your main account is located. If you are receiving money personally, always remember, you cannot just deposit that into your offshore account. When you are an individual, you are liable to income taxes in your country of residence. If you don't report taxes, you are subject to the possibility of investigation. If you are doing business as an offshore company in your domestic country, you can always deposit your money into your account with no hassle since you are domiciled offshore officially.

## Do some jurisdictions take a lot longer to get officially set up in? Should I prefer using certain areas over others?

When you are getting set up offshore, most companies will incorporate you in the jurisdiction with the quickest turn around time. As we stated before, this is not a problem, since the IBC/foundation structure is what protects you, not necessarily the IBC country's secrecy laws. Typically, most jurisdictions take less than one week to set up an IBC, but places such as Hong Kong and the Bahamas can take three weeks or longer. Either way, if you have a preference for your IBC and have good reasoning, then request it to be domiciled there. Just remember, it is not necessary for complete protection.

## If I was making a large shipment of tangible products overseas, how can I use an offshore company to reduce my tariffs and taxation on the products being shipped?

If you were selling products from a high tax jurisdiction to a tax haven, you would incur high tariffs based upon the cost of the product being shipped. Instead, if you are savvy, you can sell them to your own offshore company for half the price, and reduce the taxation in half effectively. Once you had received them at that first tax haven, you could then send them to the other tax haven which would have next to no tariffs. In addition, it is a lot cheaper to ship parts than fully assembled products, so shipping things 99% assembled can be considered as shipping parts. For more information, contact a customs specialist and they will cover all of your options.

# Chapter 22

## *Summary of Offshore Banking*

ULTIMATE

Whether you are wealthy or middle class, [offshore bank accounts can be beneficial for almost anyone](#). Though there are some people that would be ideally suited for offshore banking (ex. doctors, e-business sites, consultants, business owners, etc.), the affordable price and numerous benefits make it a sensible purchase for most of the population. The problem is, most people are not aware that it can be done legally, and are also not aware of its simplicity and benefits. With the public in need of the truth, we felt it was our duty to communicate the facts and dispel the false assumptions.

### *Choosing to Benefit from Offshore Banking*

With some of the largest world economies crumbling, the lack of safety within typical methods of banking couldn't be more apparent. Many large domestic banks have closed due to predatory lending and poor investment techniques, which has left many scrambling to place their money in secure places. When you combine the recent economic crisis with the litigious society in which we live, you can see why a growing number of people are choosing to structure their assets offshore. Not only can they fully protect their assets from economic and political instability, but also from the increasing threat of lawsuits.

When looking at the benefits of offshore banking, they are by no means limited to just asset protection. [Whether you are trying to save on taxes, invest freely, or increase your level of privacy, offshore banking is the best option to do so](#). With no tax or reporting requirements, you can use your capital as you choose, rather than give it away to the local authorities. When investing as an offshore corporation you can do the same thing. Since you are not liable for taxation on your investment earnings, you get to keep your profits in full. This leaves the money in your hands.

With all of the various benefits, the most important thing to ensure your success is proper adherence to your local laws. [The fact is, this can all be done legally](#), without ever having to look over your shoulder. If this exact structure is used by the top celebrities and politicians in the world, why not consider it for your own retirement, daily business, or protection? The only difference between you and the celebrities is that they were informed of this structure from a top international estate planner, while you were lucky enough to have purchased this book.

## *Finding the Right Offshore Service Provider*

With the rapid evolution of the Internet, offshore banking has become a service open to just about anyone. With that being said, it is very easy to find offshore banking information, but not as easy to find trusted and well-informed service providers. As with anything else, there are cheap and expensive versions of the same service, and with the offshore market it is no different. Most of the companies on the web will give you an incomplete offshore package for a dirt cheap attractive price, while leaving out critical components necessary for your protection. This leaves you wasting your time and money, and puts you in jeopardy for future investigations. Think about it, [does it really make sense to be cheap, when it protects everything you have ever worked for?](#) I bet you can guess the answer...

After thoroughly researching the online offshore market, we consider the firms we reviewed earlier as the best in the business. These firms are the only companies we would recommend, since the other “companies” we encountered were mostly “fly by night” operations. In short, the last thing you want to do is structure yourself with a “fly by night” offshore provider. This can leave you with thousands in fees, and many other undesirable circumstances. In all cases, and no matter what the cost, it is best to work with a firm which provides you everything, including great customer service, top bank introductions, tax advisor introductions, payment security and more.

## *Maintaining your Offshore Structure Correctly*

Though setting up your offshore structure properly is critical to success, proper disclosure and legal abidance is just as important. If you aren't doing things correctly, and are not operating within the law, then you are setting yourself up for a surprise. The good thing is, maintaining the offshore IBC/Foundation structure is simple. All you need to do is disclose things properly, study our secret tips, seek professional tax advice for domestic income, and you are good to go!

Remember, tax authorities and anyone seeking information have no access to your banking or corporate details overseas. Though they cannot access this information

due to strict privacy laws, they can chase after you for improper disclosure of your local taxes. If your tax advisor discloses your domestic business properly, you should truly have nothing to worry about. To repeat again to ensure it sticks, [proper disclosure is vital to protecting your wealth, assets, and lifestyle.](#)

### *Understanding the Whole Picture*

With all of the information provided in this book, [you can now consider yourself to know the secrets of a trained expert in the offshore banking world.](#) Not only do you now understand how offshore banking fits in within the world economy, but also how it can assist you, your family, and future generations. Though high-tax authorities don't want you to believe so, tax havens are there to be exploited for the customer's benefit, not negatively stereotyped for another government's self interests. Thankfully, the luxury of the Internet helps us communicate and benefit from the facts, rather than dwell and restrict ourselves with misleading propaganda.

This book has been our gift to you, and the potential of the information within it, can only be determined by how you apply what has been read. There is no reason to be fooled any longer by common myths and misconceptions like the rest of the population. With the facts now revealed, you can choose to have your very own offshore structure today. [Providing all of the same features as your local account, adding increased privacy, no tax obligation, asset protection and more, why not go offshore?](#)

# ULTIMATE

**DISCLAIMER:** This information has been thoroughly researched and verified by top international tax consultants, but should not be solely relied upon for tax or investment advice. In addition, the author should not be considered as a licensed tax or investment advisor. All information provided should be personally investigated and confirmed, and all domestic business should be reported by licensed tax advisors to ensure adherence to your local laws. Tax regulations vary between jurisdictions, and each reader is subject to tax and reporting laws in their country of residence. The author and book distribution companies shall not be liable for any actions resulting from the reading, application, communication, or redistribution of this material. There may be no redistribution of this material without the express written consent of the authors and their distribution companies.