

Introduction

A foundation is an independent self-governing legal entity, with some characteristics of both a company and a trust. The Foundations Act 2011 provides a vehicle that can provide an additional solution to family wealth management.

Isle of Man Foundations are used mainly for private wealth and charitable purposes, but can also be used for commercial reasons if required. Foundations are particularly attractive for clients that are more familiar with civil law systems than common law.

Key elements and points to note

- The foundation is a matter of public record through the filing of a foundation instrument, whereas a trust is a private arrangement.
- A foundation exists when the registered agent (mandatory in the Isle of Man) registers the foundation with the Isle of Man Registry.
- The registered agent must be an Isle of Man class 4 corporate services licence holder.
- A foundation must have foundation rules; this is not a public document and must be approved by the founder and the class 4 licence holder.
- A foundation is funded initially by the founder, but further funds can be added by other persons (dedicators).
- If the foundation is established for non-charitable purposes then an enforcer (identified in the foundation rules) must be appointed. This can be the founder.
- Beneficiaries do not need to be named when the foundation is established. A foundation beneficially owns its assets and will allocate those assets to beneficiaries according to the foundation rules and instrument.
- A foundation must have a foundation council and council members. The composition of the foundation council will need careful consideration, and can include the founder, beneficiaries, investment advisers, tax advisers, lawyers or any other individual that would benefit the foundation.
- The foundation will be a corporate taxpayer in the Isle of Man for the purposes of the Income Tax Act 1970.

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Isle of Man Foundations



It is anticipated that many existing foundations will migrate from other jurisdictions, such as Lichtenstein and Panama, to the Isle of Man as it is a premier international finance centre meeting international standards of financial regulation and supervision, which attracts those seeking a stable and reputable jurisdiction.

Fedelta

The Fedelta Group was formed in 1992 by its directors (Michael Shimmin, Frank Perry, David Brew, Steven Quirk and William Laughlin), who have worked together as a team for almost 30 years. Nigel Callin and his team joined the Group almost 20 years ago to establish Fedelta Pensions Limited. Fedelta remains independent, being wholly owned by its employees (full profiles of personnel are available on our website). Michael Shimmin is the former Chairman, and Frank Perry a former Director, of the trade association representing Company and Trust Management Service Providers in the Isle of Man, which has more such licensed entities than any other jurisdiction.

Fedelta Trust Limited has been shortlisted for the prestigious Citywealth IFC Awards 2015 as 'Best Trust Company of the Year, Isle of Man'.

The Fedelta Group is licensed by the Isle of Man Financial Supervision Commission and by the Isle of Man Insurance and Pensions Authority.

Isle of Man

The Island is a premier international finance centre, providing a business friendly environment whilst adhering to the highest standards of financial regulation, supervision and transparency. Further information is available on the Financial Supervision Commission website www.gov.im/fsc.

Contact Us

If you would like to discuss your requirements or our services, without obligation or charge, then we would be delighted to hear from you. Please visit our website www.fedelta.com for further information or contact Stephen Colderwood, Executive Assistant to the Board at spcolderwood@fedelta.com.

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