

## Controlling Your Offshore Wealth

More people hesitate to safeguard their money offshore because they have concerns about relinquishing control over their money to a foreign trustee. The trust gives your trustee broad powers to do whatever is necessary to protect or enhance the trust assets. These same powers are found in any irrevocable trust include the right to sell, buy, lease, encumber, or invest trust assets, defend or prosecute claims, pay debts and taxes, hire other professionals, make loans and/or distribute income or principal to beneficiaries, and so forth.

The trust purposely grants the trustee broad powers, while the grantor retains none or negligible authority. A grantor who retains too much control loses protection. However, delegating control over your wealth to a foreign trustee will become far less frightening once you realize that foreign trustees will comply with a grantor's voluntary wishes. Moreover, they are exceptionally trustworthy based on their track record for honesty and fidelity.

You can allay concerns about losing control through a number of strategies. You thus balance protection against your natural desire to retain control over your offshore funds. However, your attorney must tell you precisely how much control you can safely retain without jeopardizing your protection.

For example, whomever you appoint as your protector will logically follow your directions to block trustee actions or replace the trustee. Through your protector you have alter ego control. Or you can make your offshore trust revocable until a specified event, such as a lawsuit, when your trust would automatically become irrevocable. Or your limited partnership can be owned by an offshore trust as its limited partner. You would be the general partner and stay in control of the partnership assets within the U.S. until you are sued, when you would transfer the partnership assets to the trust. Or you can be the managing director of an IBC (foreign company), which would be owned by the trust. The trust funds can be invested in the IBC which would be under your control. Or you can control the trusteeship until threatened by creditors. For instance, you and/or your spouse can be the co-trustees with your foreign trustee. Or you and/or your protector can be co-signers on the trust bank accounts. Or you can keep your trust unfunded until you are sued.

These and other safeguards insure that your assets will be handled properly. Still, your worry about losing direct control over your wealth is understandable. You have little cause for concern. Offshore professionals are bonded, licensed, and backed by the reputation of their own OFCs.

You will find long established and excellent trustee firms within every OFC. Most are lawyers or chartered accountants. Your trustee should be well established and administer many trusts and offshore entities. An active trustee firm can provide you a wide range of services and effectively deliver those services. Your advisor who sets up your trust can recommend a trustee who has provided other clients good service. Our own firm uses only the largest and most established firms.

Check your trustee's references. How many clients do they have? Are their clients satisfied? How long have they been in business? Who within their firm will handle your account? Will they provide bank references? Bonding? Can they deliver the services you need? Are they accessible? Responsive? What are their fees?