

## Select the Right Offshore Financial Center

Another common question is which is the best OFC? Many offshore jurisdictions can give you excellent protection. But when you choose a country you should focus on five criteria. You want a country with:

- *Strong asset protection laws and pro-debtor policies*
- *A predictable and sound legal and political system*
- *No taxes on foreign capital*
- *Financial privacy and confidentiality*
- *No exchange controls.*

Other criteria and reasons to have your wealth offshore can influence your choice. Choose the OFC which best satisfies those needs. But for protection, the most important criteria is whether the OFC *can* and *will* protect your assets. All else is secondary. About twenty OFC's specialize in asset protection, but closely investigate five features when you select your OFC:

- **What is their statute of limitation?** Your creditor should have the shortest time to challenge a fraudulent transfer. Only then are you safe. OFC statutes of limitations range from an unlimited duration to one-year (Nevis).
- **Will they enforce a foreign judgment?** Your OFC must neither recognize nor enforce a foreign civil judgment. Your creditor must be forced to re-litigate their case in that OFC.
- **What is the burden of proof to recover a fraudulent transfer?** Must your creditor allege your fraudulent transfer was made with fraudulent intent? That can be a helpful standard.
- **What is the standard of proof?** You also want a rigid standard of proof on fraudulent intent. Some OFCs require that the creditor establish fraud by a mere preponderance of the evidence and others want fraud to be proven beyond a reasonable doubt. This, of course, is a more difficult standard.
- **Will they freeze your assets?** You do not want an OFC that will allow your creditor to attach your assets before your creditor obtains judgment from that OFC. Few OFCs will.

OFC's come in every size, variety, and political persuasion. OFCs are located throughout the world. Bermuda, the British Virgin Islands, and the Bahamas hug America's southeast coast. The Cayman Islands, Turks and Caicos, Nevis, and Antigua dot the Caribbean. The Isle of Man, Channel Islands, Jersey, and Guernsey shadow England. Switzerland, Liechtenstein, Luxembourg, Hungary, and Austria are good European havens. The Philippines, Singapore, and Hong Kong serve the Pacific Rim. Cyprus, Malta, and Gibraltar are Mediterranean OFCs. And there are also the Cook Islands, near New Zealand.

OFC's are clustered nearby the industrialized countries whose laws force their wealthier citizens to find friendlier environments for their money. The world is shrinking so your choice of OFC no longer depends upon geography. Electronic banking lets you easily move your money to whatever country best satisfies your needs. You can as easily bank in another hemisphere as you can at the local savings and loan.

OFC's rapidly rise and fall. Newer, more competitive OFCs continue to arise. Gibraltar, the Cook Islands, Nevis, the Marianas, Belize, the Turks and Caicos and Montserrat are

relatively new offshore contenders. Other bright stars are on the horizon. Nevis and the Cook Islands are two of the more protective foreign assets protection jurisdictions and our favorites. Yet, asset protection lawyers have their own favorite jurisdiction and affiliations (trustees, protectors, banks, etc.). You won't get a unanimous opinion when you ask which OFC is best.

Your offshore asset protection plan will also be multi-national. For example, you may have a Nevis trust as your primary protective shield, but your trust may bank or invest its funds in Switzerland, Panama, Singapore, or elsewhere.