

## WEALTH PLANNING IN THE BAHAMAS: TRUSTS OR FOUNDATIONS?

As global families and high-net-worth individuals seek robust strategies for preserving and passing on wealth, The Bahamas stands out as a premier jurisdiction for wealth planning. With its modern legal framework, political stability, and tax-neutral environment, The Bahamas offers two primary tools for long-term asset protection and succession planning: Trusts and Foundations.

### THE BAHAMIAN TRUST: A TIME-TESTED STRUCTURE

Trusts have long been favored for estate planning, asset protection, and wealth transfer. Under Bahamian law, trusts can be structured to suit a variety of objectives, from simple inheritance planning to complex multi-generational asset management.

#### Key Benefits of Bahamian Trusts:

- Flexibility in asset distribution
- Protection from creditors and legal claims
- Ability to hold global assets
- Privacy and confidentiality
- No inheritance or capital gains tax in The Bahamas

Types of trusts include discretionary trusts, purpose trusts, charitable trusts, and reserved powers trusts, all supported by the comprehensive Trustee Act and Purpose Trust Act.

**Foundations:** Civil Law Familiarity with Common Law Strength Introduced in 2004, Bahamian Foundations provide an alternative wealth planning structure that is particularly attractive to clients from civil law jurisdictions. Unlike trusts, foundations are legal entities that can hold assets and contract in their own name, combining elements of a trust and a company.

#### Advantages of Bahamian Foundations:

- Ideal for clients unfamiliar with trusts
- Legal personality and full control over asset management
- Can be used for charitable or private purposes
- Governance by a council and optional founder's rights
- Effective for succession and philanthropic planning

Foundations offer clarity, control, and permanence—especially useful for clients who prefer a corporate-style structure for their legacy.

#### Choosing the Right Structure

Both trusts and foundations offer strategic advantages, and the decision often comes down to the client's jurisdiction, planning goals, and family dynamics. In many cases, advisors may recommend using both structures as part of a layered wealth plan.

At Leno Trust Ltd., we work with clients and advisors to design and administer bespoke trust or foundation structures that align with personal, financial, and philanthropic objectives.

#### Ready to safeguard your legacy?

*Contact our team at Leno Trust Ltd. to explore which structure is right for you.*



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