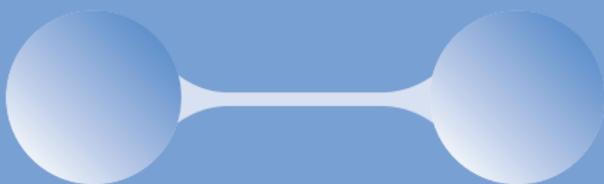
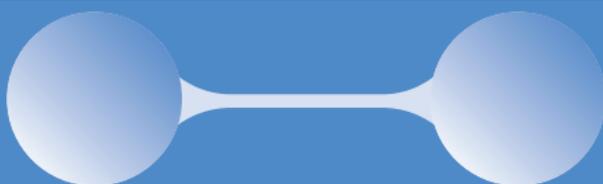


**citroen wells**  
CHARTERED ACCOUNTANTS

# Offshore Trusts

## Tax Planning Considerations



## **The Need For Assistance**

Offshore trusts represent a technically complex but, in the right circumstances, are a highly effective means of tax and financial planning. Only detailed professional advice can ensure that the reliefs and exemptions are used to maximum advantage for your personal circumstances.

## **The Need For Advice**

The appropriate structure will depend on whether your ultimate homeland is overseas. For both “non residents” and “non-domiciliaries” there are many specific exemptions, especially in the field of capital taxation. For UK nationals there has been much anti-avoidance legislation but advantages remain in specific areas, for example an existing offshore trust.

## **Advantages**

The use of offshore trusts can provide exemption from both capital gains tax and inheritance tax on assets located overseas. Income tax can also be mitigated where foreign income of the trust remains outside the UK.

## Planning

Important areas we will discuss with you are:

- Domicile. Often a person from overseas, even if resident in the UK, will not be “domiciled” in the UK. In an increasingly harsh fiscal climate, this may provide the key to significant tax savings
- The nature of an offshore trust. Clients are naturally anxious that trusts are appropriate to their circumstances. Offshore trusts should be established with reputable professional trustees in which you have confidence. We have contacts with many professional overseas trustees in several jurisdictions
- The type of trust. Trusts can be discretionary, whereby the application of income and/or capital to specified beneficiaries is left to the judgement of trustees but with the settlor’s wishes in mind. Alternatively trusts can be structured so that the income and capital entitlements of the beneficiaries are fixed in advance. Different tax and practical consequences arise depending on the type of trust chosen
- The use of an offshore company and the impact of ATED (Annual Tax on Enveloped Dwellings). It may be advisable for the trust to hold shares in a company to invest in the UK e.g. in property
- Taxation of UK rental income. We can advise on minimising taxation through the appropriate deductions and deal with registration under the Non-Resident Landlords Scheme
- Our tax specialists work directly with the partners and therefore your tax affairs receive continuous personal attention at partner level.

## The Way We Work

One of our contact partners is a member of the Society of Trust and Estate Practitioners and both are Chartered Accountants. In addition:

- Our specialist tax partners are both Chartered Accountants and members of the Chartered Institute of Taxation with considerable knowledge of the taxation of overseas trusts and their benefits
- We have considerable practical experience having advised many clients in this area over many decades
- We will maintain close contact with you, your bankers and your professional advisers and report to you regularly
- We will consult you with regards to your objectives
- A system of self-assessment is in place for non-resident companies and beneficiaries of non-resident trusts. This shifts the burden of getting things right from the tax inspector to the taxpayer and professional advice is essential.

## What Will It Cost

This is really up to you because we make our living by selling our time, skill and experience. But since we have acquired that experience over a number of years and understand the needs of our clients, we charge reasonable fees for our services.

In particular:

- Initial discussions are free
- We always ensure that our fees remain competitive as our ultimate aim is to provide value for money. Our reputation for achieving this is important to us
- For certain services we can discuss your requirements and agree a fixed fee in advance
- In other cases we would assess, with your help, the extent of our likely involvement in any particular matter and provide you with an estimate of our fees, thus enabling you to budget for your professional costs.

## The Next Step

For over 60 years Citroen Wells has acted for a wide range of individuals, partnerships, companies and family trusts of all sizes.

Based in the heart of London we ensure that all clients receive a high quality professional service from friendly partners and dedicated teams who combine their talents to offer sophisticated advice and the highest levels of personal attention at all times.

Whatever your income level, our wide experience with overseas nationals is worth discussing and;

- An informal initial meeting with us will cost you nothing apart from your time
- You can obtain further details by contacting Henry Charles or Jonathan Prevezer or any partner at:

Citroen Wells, Devonshire House,  
1 Devonshire Street, London W1W 5DR  
Telephone: +44 (0)20 7304 2000  
Fax: +44 (0)20 7304 2020  
Email: [cw@citroenwells.co.uk](mailto:cw@citroenwells.co.uk)  
Web: [www.citroenwells.co.uk](http://www.citroenwells.co.uk)