



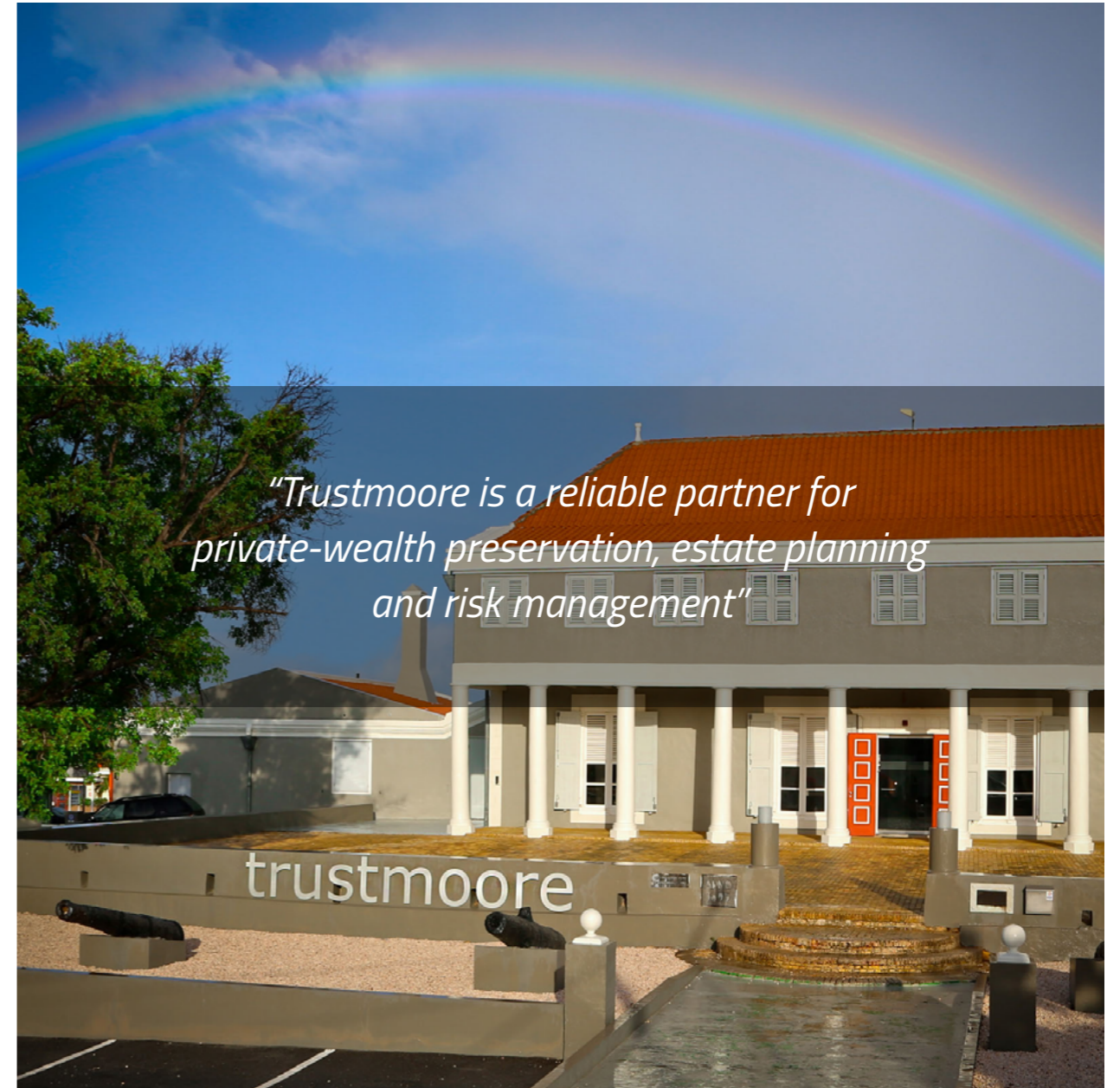
**CURAÇÃO**

**PRIVATE  
FOUNDATIONS**

**TM**

## INTRODUCTION

**A Curaçao Private Foundation – known as Stichting Particulier Fonds (SPF) in Dutch – is modeled after a traditional foundation but without equity distribution being restricted to charitable purposes. A private foundation is therefore an excellent instrument for private-wealth preservation, estate planning and risk management, for which Trustmoore is a reliable partner.**



## PRIVATE FOUNDATIONS IN PERSPECTIVE

**Similar to institutions in Liechtenstein, Panama and Austria, a private foundation is a legal entity without capital divided into shares or certificates. It complies with regulatory requirements that ensure its good standing. For example, incorporation must be done by notarial deed, at least one local board member or local representative must be appointed in Curaçao, and the foundation must be registered with the Curaçao Chamber of Commerce.**

Just as a traditional foundation, a private foundation is a legal entity and, therefore, upon asset transfer, it becomes the legal and fiscal asset owner. Although private foundations and traditional foundations share many similarities, there is a striking difference between them. While a traditional foundation can only distribute

funds with a charitable or a social purpose, a private foundation can distribute funds to beneficiaries without this motive. The purpose of a private foundation's existence must be stated in its incorporation deed, but a founder is free to determine a private foundation's purpose, with the one exception: it may not "conduct business." Asset management and acting as an investment company or a holding entity are not explicitly considered business activities.

By using a private foundation, beneficiaries can enjoy Curaçao's favorable fiscal legislation, namely full exemption from profit taxes (if an operation is not considered a "business activity"). Contributions to a private foundation by non-residents of Curaçao are not taxed by the Curaçao government and distributions

by a private foundation to non-resident beneficiaries are also tax exempt.

As previously stated, a private foundation is incorporated by notarial deed. Founders have a substantial amount of freedom to structure a private foundation according to their wishes. A founder can, for example, appoint and remove members of the board and appoint a supervisory board, advisory board and/or protector. Founder rights are transferrable, which can be relevant for estate-planning purposes. A founder will always be requested by a private foundation's board to draft a letter of wishes, in which the founder states the beneficiaries and how distributions may be made. The board is not legally bound by the letter of wishes but will always take it into consideration when managing



a private foundation's assets. Neither the founder nor the beneficiaries are registered with the Curaçao Chamber of Commerce; only a private foundation's board members and supervisory-board members are registered, if any.

## **ADDITIONAL ADVANTAGES**

The main feature of a private foundation is separation of control of the transferred assets. Individuals who contribute assets to a private foundation no longer have ownership of them, which can also confer benefits. For example, relinquishing (legal) control over such assets protects them against contributor liability issues.

Legislation of private-foundation incorporation is flexible; therefore, a founder can draft a private foundation's articles of incorporation according to his or her wishes. A private foundation can be used for many different purposes: holding entity, investment vehicle, or a solution for asset protection (family or private), including ownership of art, automobiles or real estate.



## **TRUSTMOORE IN CURAÇAO AND BEYOND**

Trustmoore is a highly effective, innovative and client-driven corporate-services provider with a proven track record in Curaçao, where private foundations are required by law to have a local registered office and registered agent office. We have vast experience incorporating and managing companies, special-purpose vehicles and offshore segregated-capital entities. In addition to Curaçao, Trustmoore has offices in the Netherlands, St. Maarten, the British Virgin Islands, Anguilla, the United Kingdom, Luxembourg, Cyprus, Malta, Gibraltar, Singapore



## **CONTACT US TODAY**

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