



# YOUR WEALTH FORTRESS



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**Your Wealth Fortress**  
**Bullet Proof Protection for Your Assets**

It has often been said that it's easier to make money than to keep it. There's a certain degree of truth in that. After you've made, even a relatively small amount of money, there are many parasites who'll try to get their hands on your valuable assets.

**There are threats to your wealth everywhere.....**

There are threats around you everywhere. You can get involved with a business deal that goes wrong. People sign personal guarantees every day.

Divorce can eat into even the largest of fortunes. Tax collectors are maybe the worst vultures of all. They set out to take as much of your money as they can, while offering nothing of value in return. Furthermore they rob you while having the audacity to take the moral high ground.

**Don't feed the beast.....**

Governments are more and more hungry to fill their coffers with your money in an attempt to fulfil promises that they'll never be able to keep. Here in the 2020s governments are promising more and more 'free' stuff for everybody. Except it's not free. People like you have to pay for it. If you don't like it, too bad they're going to take it anyway.

**Own Nothing, Control Everything.....**

That's why it's more important than ever to build your wealth fortress. You have to protect your assets in a bullet proof structure that only you have complete control of. It has to be structured in a way where you control everything but own nothing. If you are not the legal owner of the bank account, the Ferrari or the Monet nobody can take it away from you. You can make yourself completely judgement proof.

I have heard stories from clients who have woken up one day to find all their bank accounts frozen and are blocked from selling any of their assets. Often creditors and governments, in particular, don't have to prove anything or give any notice to you to freeze your accounts and block you selling your assets.

They can go to court on what they call an ex-parte basis. This means that you are not represented at the court hearing and they'll likely get everything they ask for from the judge. When this happened to my client recently all his accounts in the UK were frozen. He was blocked from selling his assets and wasn't even able to make mortgage payments or insurance payments. He had no idea that he was being investigated for his involvement in a business a decade earlier.

He had no opportunity to explain himself or stop the procedure that froze his assets. Fortunately for my client he had an offshore structure in place that he could legally use to fund his life and legal costs for the 2 years it took him to get access to his UK bank accounts.

Imagine if you didn't have this kind of protection in place?

Insurance isn't available at any price after the fire has started. That's why it's so important to act well in advance of any potential problems.

### **Protection from Divorce.....**

It's not just government investigations that can cause your assets and bank accounts to be frozen. The same thing can happen if you're going through a divorce or you're involved in a lawsuit.

In some jurisdictions it's easy to get bank accounts and other assets frozen with no notice to the other side. Of course you will know in advance if your wife's planning on divorcing you or you're involved in litigation, but it always surprises me how few people plan for a worst case scenario.

My attitude is always that you should hope for the best but plan for the worst. That's the mental attitude that gives you the most peace of mind. Nothing can take you by surprise.

### **First Steps.....**

First you have to decide how bold you want to be with your asset protection strategy. I've met many clients over the years who want to take baby steps first and put a small percentage of their assets into a new structure. Others prefer to go all in from the start. Only you can decide what you're comfortable with.

An asset protection structure will normally have a trust or foundation as the top layer. This is the layer that owns all the assets below. The super-rich have used trusts and foundations for generations. That's how they sustain vast wealth over generations.

### **A Unique Tool for Asset Protection.....**

Trusts were first used in England in the 12<sup>th</sup> century by land owners who wanted to protect their lands when they went off to fight in the crusades. The Crusaders would convey their land to a trustee to manage when they were away on the understanding that the trustee would return the land to the Crusader on his return. The original land owner became the beneficiary of the trust. Over time the Chancery Court in London came to recognise this structure and the Trust was born.

To form a trust you need to have a settlor and a beneficiary. A settlor will donate assets to the trust. These assets are held by the trustees on behalf of the beneficiaries.

You may be the settlor and donate assets to the trust. Those assets could be shares in a business, for example. You will appoint trustees to manage the assets in the trust.

You will give the trustees instructions on how to manage the assets and when they should be distributed to the beneficiaries. You can, of course, set it up in a way where you have complete control of the assets until your death, at which time control of the trust or the assets in the trust would be passed to your beneficiaries. Your beneficiaries could be your spouse, your children or a charity, for example.

### **Always Keep Control.....**

The key here is that you will continue to have 100% control of the assets but you won't legally own them. You'll have no obligation to disclose them to any third parties either.

A trust document can be drawn up by a lawyer or you can use a template. In most jurisdictions there's no requirement to register it anywhere.

Foundations tend to be a bit more formal and can be set up in countries like Lichtenstein or Panama. Panama foundations are a legal entity, like a corporation, but with no owners or directors. You have a foundation council

instead of trustees and you write a letter of wishes when you establish the foundation to make it clear what happens to the assets in the foundation.

### **Set up your structure with care.....**

One thing you must be careful of when setting up any asset protection structure are fraudulent conveyance rules. If you transfer all of your assets to a trust or foundation and go bankrupt a month later this would be classed as a fraudulent conveyance.

It's important to consider this carefully when you're planning your offshore structure. The more time that passes between you putting your assets in trust and anybody making a claim on them the better.

Jurisdictions like Nevis put a limit of 2 years on any claims for fraudulent conveyance. In Panama the time limit is 3 years. After this time it's impossible to make a claim on the assets in the foundation or trust.

If you have left it too late and you expect to have legal problems within months there are quite a few creative strategies that we've used to protect our clients in the past. I'm not going to publish our techniques here but if you have an urgent problem I'd be happy to help you individually.

It's also important to make sure you deal with reputable law firms and that your trustees or council members are highly professional and trusted.

### **Choose your jurisdiction.....**

When you've established your trust or foundation, the layer below that is your offshore company. Offshore companies can be set up in jurisdictions such as the BVI, Panama, Nevis and The Cook Islands.

An offshore company has more flexibility for day to day operations than a trust or foundation. Your offshore company will be 100% owned by your trust or foundation.

It should be in a separate jurisdiction with different directors from the top layer of your structure. You might choose, for example, to have an offshore company incorporated in The Cook Islands owned by a foundation chartered in Panama.

The offshore company can operate bank accounts, own real estate and conduct day to day business. You will control the bank accounts and all the

assets owned by the company but crucially you won't own shares in the company.

### **You will be impossible to sue.....**

If anybody ever decides to sue your offshore company they will not find it easy if you've chosen the right jurisdiction to incorporate it. Anybody trying to enforce a judgement on a company incorporated in jurisdictions like Nevis or The Cook Islands will have to start the whole process again in a court in a far off location as foreign judgements aren't recognised. In addition they'd have to lodge a substantial bond in the courts in the offshore jurisdiction. That would be enough to ward off all but the most determined litigants. Of course they can't sue you personally in any case. They can only sue the company.

### **Where not to go.....**

You now have your offshore company which is 100% owned by your offshore trust or foundation. Each of these is in a different jurisdiction. Each has different directors and trustees. The jurisdictions for incorporation should be selected carefully. I'd recommend against using jurisdictions like the BVI or Jersey.

Those jurisdictions recognise and enforce foreign judgements and, in my experience, they are not very good at keeping your information confidential. They might be easy to navigate because of the English language but they are poor choices for asset protection.

### **Beware information sharing agreements.....**

The next part of your offshore asset protection strategy will be where to have bank accounts and brokerage accounts. In the last few years we have the global menace of the Common Reporting Standard (CRS) to deal with. The CRS seeks to end banking privacy for everybody and have your offshore bank send your bank balance to your home tax authority every year.

Anyone who values their privacy will want to avoid this. Fortunately there are still jurisdictions that are not part of CRS (The USA is the most significant) where you can still bank in private.

Otherwise you might want to become a tax resident of a country who will never tax you. You can then open your offshore account in Monaco and provide them with the documentation proving that you are a tax resident in say Hong Kong.

This would completely defeat CRS as although Hong Kong is part of CRS, they have opted not to receive any information.

Even if they did you'd have no tax liability there ever provided your income was not earned there. The important issue, for the purposes of this report, is that your affairs remain private. You must ensure that there is no prospect of your banking privacy being invaded. Fortunately that is easy to achieve but takes a bit more effort than it used to, as I've described.

### **Guard Your Financial Secrets.....**

Maybe the most important and under-rated aspect of asset protection is keeping your affairs secret. Live a low profile life.

Don't tell your mistress about your secret accounts in Switzerland or your secret beach retreat in Uruguay.

If your former business partner who's suing you doesn't know about your stash of gold in Singapore it's never going to be under threat of confiscation.

If you live in a mansion in your home country make sure it has as big a mortgage as possible. It could even be a mortgage from a finance company owned by your foundation or trust.

If you must drive a flashy car in your home country, make sure it's owned by your offshore company.

As you can see the possibilities are endless. It's well worth spending a bit of time and effort now to gain a lifetime of protection.

***If you'd like help setting up your own, personalised asset protection structure get in touch. I am able to help 2-3 clients every month set up the structures described in this report. Contact me at [help@offshorefortress.com](mailto:help@offshorefortress.com)***