AQUASANDS

THE WOLF SERIES · Nº 13

The Foundation Playbook

Foundations, trusts and holding companies: how family wealth is really held and passed on, who controls what, and what no structure will ever do for you.

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Stop being a pigeon.
Join the wolves.

BEFORE YOU READ

A structure holds wealth. It does not hide it.

Foundations and trusts are sold as magic boxes. They are not. They are tools to hold assets and pass them on, and the first question is never "which country?" It is your succession. This playbook gives you the logic in the right order.

WHAT YOU GET

- What a foundation and a trust really are, and who owns what.
- Foundation, trust or holding company in one table.
- The Panama foundation and the BVI VISTA trust profiled.
- Governance: council, protector, trustee, beneficiaries.
- The transparency rules, the seven traps, and a scorecard.

WHAT IT IS NOT

- Not a do-it-yourself kit. The choice depends on *your* assets, your heirs and your succession law, and it is made one to one, with a lawyer.
- Not tax or legal advice. It is general information, stated as at November 2026.
- Not a way to make tax disappear or to conceal anything. We do not work on that ground.

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WHAT YOU GIVE AWAY

01

The pigeon keeps his assets. The wolf hands them over.

The pigeon version: "put it in a foundation and it is protected." The wolf version: a foundation or a trust protects only what has genuinely stopped being yours.

THE FOUNDATION

A private interest foundation is a **legal person without members**. Its assets belong to the foundation itself.

Its beneficiaries do **not** own them. A foundation council runs it, under the constitutive deed.

THE TRUST

A trust is **not a legal person**. It is a relationship: the **trustee** holds the assets on behalf of the beneficiaries.

What the trustee may and may not do is written in the trust deed.

THE RULE THAT DECIDES EVERYTHING

In both cases, **what you transfer stops being yours**, and the protection depends on **the date and the terms of the transfer**. A structure set up calmly, years ahead, for a family reason, reads very differently from one set up the week trouble arrives.

Start with the succession, not the country

A foundation or a trust organises **holding and transmission**: who receives what, when, and under which conditions. So the first questions are about your family: who are your heirs, what does your succession law already impose, which assets do you hold and where. The country comes after, as a consequence.

WHAT YOU WILL BE ASKED FOR, WHEREVER YOU SET UP

- Identity and proof of address of the founder or settlor.
- The origin of the funds and of every asset transferred.
- The identity of the beneficiaries.

DECIDED ON THE CALL

Whether a structure makes sense for your family at all. For many estates, a well-drafted will does the job, and we will tell you so. **Book the 45-minute call →**

FOUNDATION, TRUST OR HOLDING COMPANY

02

Three vehicles. Three different jobs.

They are often confused, and they do not do the same thing. One question sorts most cases: do you want to own assets through a company, or to give them away to a structure that serves your family?

	FOUNDATION (PANAMA)	TRUST (BVI VISTA)	HOLDING COMPANY
Nature	Legal person without members.	A relationship, not a legal person.	A company with shareholders.
Who owns the assets	The foundation itself.	The trustee, on behalf of the beneficiaries.	The company; you own its shares.
Who runs it	A foundation council; a protector may be appointed.	The trustee, under the trust deed.	Directors, answering to you as shareholder.
Who benefits	Beneficiaries named in the deed and letter of wishes.	Beneficiaries named in the deed and letter of wishes.	You, through dividends and the value of your shares.
Built for	Holding and passing on family assets.	Holding and passing on assets, company shares included.	Owning participations and investments.
Still yours?	No. That is the point.	No. That is the point.	Yes, entirely.

THE WOLF READING

The three are often **combined**: a foundation or a trust at the top for transmission, a holding company below it for the investments and participations. A BVI VISTA trust, for instance, lets the trustee hold a company's shares without running its business. The holding company alone protects nothing: it is still yours.

Holding companies with a wealth logic

In the UAE, the **DIFC** and **ADGM** apply common-law-based systems and host holding and family office activities; the **RAK ICC** is a low-cost holding vehicle that grants no visa and no residence. Useful for holding, never for operating.

DECIDED ON THE CALL

Which combination fits your assets: a foundation, a trust, a holding company, two of them stacked, or none. It depends on what you own, where it sits and who should receive it. **Find your structure →**

PANAMA AND THE BVI

03

Two tools, two logics.

We set up two vehicles: the Panamanian private interest foundation and the British Virgin Islands VISTA trust. Different needs, very different budgets.

PANAMA · PRIVATE INTEREST FOUNDATION

from €1,500

government fees included, then €1,390 per year

- Governed by **Law 25 of 1995**, entered in the Registro Público.
- A foundation council, and the option of a **protector**.
- Panama applies **0% territorial** taxation.
- Off the EU list of non-cooperative jurisdictions since **9 October 2026**, still under watch (Annex II).

BRITISH VIRGIN ISLANDS · VISTA TRUST

from €11,990

government fees included, then €5,240 per year

- Governed by the **Virgin Islands Special Trusts Act 2003**.
- Lets the trustee **hold the shares of a BVI company without running its business**.
- The BVI are the world's most used place of incorporation for asset holding.
- Economic substance rules apply to holding companies there.

PIGEON VS WOLF

The pigeon compares the two price tags and takes the cheaper. The wolf asks **what the assets are**. A portfolio, property or cash to pass on reads one way; the shares of an operating family company that the next generation should keep running read another. The price follows the answer, never the reverse.

And the reputed "asset-protection" havens?

Nevis advertises, on paper, the most robust asset-protection regime in the Caribbean, with short limitation periods for creditor actions. Our assessment: that protection **does not withstand proceedings brought where you reside**, and the reputation itself closes many banking doors.

DECIDED ON THE CALL

Panama, the BVI or neither, for your assets and your heirs. In Panama we set up only on a written operational justification, and that justification is built with you. Choose your tool →

GOVERNANCE

04

Who decides, who benefits.

A foundation is only as solid as the people who run it and the documents that bind them. Governance is not paperwork: it is the structure itself.

FOUNDER · SETTLOR

The person who creates the structure and transfers the assets. Once the transfer is made, those assets are no longer theirs. Banks and registries ask for their identity, address and the **origin of the funds and assets** transferred.

COUNCIL · TRUSTEE

The foundation council runs the Panamanian foundation; the trustee holds the assets of the trust. They act under the constitutive deed or the trust deed, not on a phone call from the founder.

PROTECTOR · BENEFICIARIES

The Panamanian foundation **may appoint a protector**, a check on the council. The beneficiaries receive under the terms of the deed; in a foundation, they do not own its assets.

Two documents carry the whole structure

THE CONSTITUTIVE DEED

Creates the foundation or the trust, says who runs it and who benefits from the assets, and how. It is the document a court, a bank or a tax authority reads first.

THE LETTER OF WISHES

Tells the council or the trustee how you would like them to use their powers: who receives what, when, in which circumstances. Vague wishes produce family disputes.

THE CONTROL PARADOX

Founders want two things at once: **to give the assets away** so they are protected, and **to keep every decision**. The more power you keep, the easier it becomes to argue that nothing really left you. A badly constituted structure offers no protection and can be recharacterised, with heavy tax consequences.

DECIDED ON THE CALL

Who sits on your council or acts as trustee, whether you need a protector, and what your letter of wishes must say. That balance is specific to each family, and it is drafted with a lawyer. Design your governance →

TRANSPARENCY

05

Private is not secret. It means “not public”.

The pigeon hears “private register” and thinks nobody will ever know. The wolf knows exactly who can see what, and builds a structure that can be shown.

The beneficial owner is always someone

The beneficial owner is the **natural person** who ultimately owns or controls a structure, directly or through a chain of companies. Most jurisdictions require that person to be identified, a register kept up to date, and often a filing with a central register, sometimes open to the authorities only.

WHERE	WHAT THE SITE RECORDS	PUBLIC?
Panama	Law 129 of 17 March 2020: a register of final beneficiaries, filled by the resident agent and kept by the Superintendency of Non-Financial Subjects.	No. Open to the authorities only.
British Virgin Islands	Since 1 January 2023, every company files an annual financial return with its registered agent. Relative register confidentiality.	No. Neither audited nor public.
Cayman Islands	Since 31 July 2024, beneficial owners at the 25% threshold are reported to the authorities.	No public register.

AUTOMATIC EXCHANGE

Automatic exchange of information follows the OECD **Common Reporting Standard**: it reports a structure’s financial accounts to the country of residence of those who control it.

THE INTERNATIONAL STANDARD

Transparency of legal persons and arrangements follows **FATF Recommendations 24 and 25**. A missing or false filing is penalised, and often blocks the registry and the bank.

THE RULE

Lawful on three conditions: **declare what must be declared** where you live, have **real substance** where you are set up, and **conceal nothing**. False beneficial owners and nominees are fraud.

DECIDED ON THE CALL

What your own country requires you to declare about a foundation or a trust, and how your exposure to automatic exchange reads in your case. Check your reporting →

WHAT IT WILL NEVER DO

06

The limits nobody prints on the brochure.

A foundation organises how wealth is held and passed on. The rest is marketing, and some of it is a liability.

WHAT A STRUCTURE CAN DO

- Hold assets outside your estate, once genuinely transferred.
- Set who benefits, when, and on which terms.
- Keep a family company in one block across generations.
- Give a council, a trustee and a protector clear roles.

WHAT IT DOES NOT DO

- Change your tax residence, or your heirs' tax, on its own.
- Escape the tax law of your country of residence.
- Hide you from the authorities or from automatic exchange.
- Undo a seizure, a divorce or a judgment.

The files we decline

We decline files whose **source of funds** we cannot verify, files aimed at escaping a **tax procedure under way**, a **seizure**, a **divorce** or a **court decision**, and any that assume a **nominee** masking the beneficial owner.

THE BANK AND THE SUBSTANCE STILL APPLY

Banking is **difficult** in Panama and the BVI: few banks accept a structure without a strong operational link. A BVI company under a trust still faces **substance** rules.

6–16 weeks
to open an account with a traditional bank, with a real risk of refusal

from €999
a year, government fees included: registers and filings

from €3,890
government fees included: a registered UAE will

DECIDED ON THE CALL

Where your structure will bank, what substance it needs, and what must be declared at home. We prepare the file; no serious provider guarantees an account, and we will not either. Test your case →

THE SEVEN TRAPS

07

Where pigeons get caught.

01 **Buying a foundation as a package.** An off-the-shelf deed, no review of your succession law, no lawyer. Badly constituted, it protects nothing and can be recharacterised.

02 **Choosing the country before the succession.** Panama or the BVI is the last answer, not the first question. Heirs, assets and succession law come first.

03 **Transferring when trouble has already started.** Protection depends on the date and terms of the transfer. Late transfers are exactly what courts look at.

04 **Keeping every power.** A council that waits for your orders and a trustee who signs whatever you send: on paper you gave the assets away; in reality, nothing left you.

05 **Believing "private register" means secret.** The authorities see it, and automatic exchange reports the accounts to where the controllers live.

06 **Forgetting your own country.** Its tax law may treat the structure in its own way, and declarations you skip become the problem, not the foundation.

07 **Leaving the letter of wishes vague, or never revisiting it.** Families change. A letter written once and forgotten becomes the source of the dispute it was meant to prevent.

THE PATTERN

Every trap comes from the same mistake: buying a structure before designing the transmission. The deed is the last decision, not the first.

THREE QUESTIONS TO ASK ANY PROVIDER

01 Is a lawyer reviewing the merits against my succession law before anything is drafted?

02 Who will sit on the council or act as trustee, and what powers do I keep?

03 Is the price you quote the set-up alone, or set-up plus the annual cost, government fees included?

YOUR SCORECARD

08

Ready to structure, or about to pay twice?

Tick honestly. This is for you, not for us.

I know who my heirs are and what my succession law already imposes.	Yes ☐	No ☐
I have a list of the assets I want to pass on, and where each one sits.	Yes ☐	No ☐
I accept that what I transfer will stop being mine.	Yes ☐	No ☐
I am setting this up calmly, with no dispute, seizure or procedure under way.	Yes ☐	No ☐
I know whether I need a foundation, a trust, a holding company, or a will.	Yes ☐	No ☐
I know who would sit on the council or act as trustee, and whether I need a protector.	Yes ☐	No ☐
I can document the origin of every asset I would transfer.	Yes ☐	No ☐
I know what my country of residence requires me to declare about the structure.	Yes ☐	No ☐

8 YES

You are ready to execute. A call gets you a firm quote, a lawyer's review and a named executing party.

5 TO 7 YES

You are close. The gaps are usually governance and home-country declarations: 45 minutes closes them.

4 OR FEWER

Do not sign a deed yet. Book the call first; the honest answer may be a will.

BRING THESE TO YOUR CALL

Write down every "No" above. They are the agenda of your 45 minutes, and the answers you leave with.

WHAT THIS PLAYBOOK LEAVES OUT ON PURPOSE

The last 20% is yours alone. That is where we come in.

You now know the logic. What a document cannot do is apply it to your family, your assets, your succession law and your country of residence. These are the decisions we make with you:

- Whether a foundation, a trust, a holding company, a will, or nothing fits your estate.
- Panama, the BVI or neither, reviewed with a lawyer against your succession law.
- Your council or trustee, your protector, and what your letter of wishes says.
- What your country of residence will see and what you must declare there.
- Your real set-up and annual cost, as a firm quote with government fees included.

BOOK YOUR 45-MINUTE CALL

aquasands.net/request

At the end, we tell you what we would do in your place, including building nothing at all. The answer is often no, and we would rather say so before billing anything.

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HOURS
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French and English

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