



**The Private
Foundation**
Information and forms

Issue 5

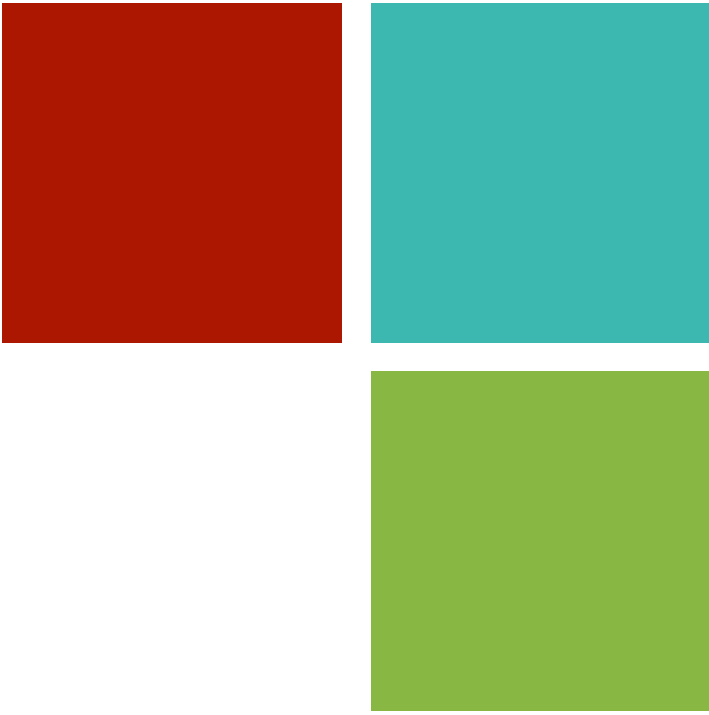
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Private Foundation information and forms, March 2010



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The Private Foundation

(what to know about ...)



Private Foundation

The private foundation

Most people know the foundation as legal entity of charitable means and goals. A lot of people even think that in a foundation profit is forbidden.

However....

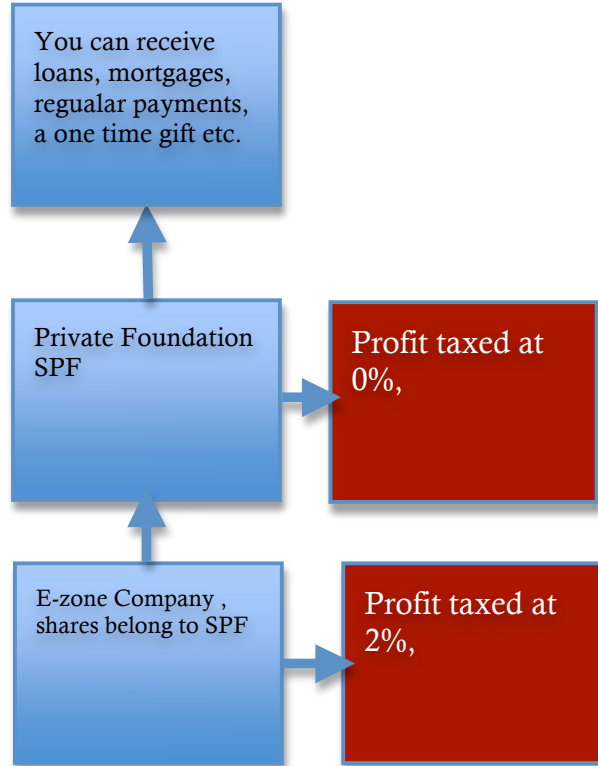
A private foundation, especially the Curacao SPF (Stichting Particulier Fonds), has a lot of advantages not available to other foundations you may be familiar with.

As discussed in another ISSUE on asset protection; the best way to protect assets is not to own them.

The SPF can be used to hold assets in the widest sense imaginable and be enabled to put its capital to use for your personal benefit.

Provided the SPF does not develop business activity but solely acts as asset holding vehicle, there is no (0%) corporate tax.

The SPF is a legal entity and can act as such. So it can have contractual obligations, buy and sell real estate (which it owns), hold shares from other companies, give loans and mortgages etc. All on your private level! The SPF can give you a mortgage, lend you money or buy a house, which you can rent from the SPF.





Some important rules.

The SPF could be subject to tax in the country where the administration is located. If the administration is on Curacao, the 0% corporate tax rule applies. We therefore strongly recommend that we do the administration of the SPF including the accounting as such.

The SPF is ruled by the “board”. If we do the administration, we are chairman of the board automatically, which in itself also guards your confidentiality. You can be, if wished, in the council to appoint members of the board, as you can be on the board as well.

The administration will agree with you on “a letter of wishes”, in amongst which it is ruled on what conditions you can claim back part or whole of the assets of the SPF anytime. Your personal tax situation may or may not limit this so this should be subject to tax advice.

We recommend a SPF as holding entity for a (or more) 100% subsidiary working company; possible in the Curacao E-zone.

Even less complicated

When structuring a company we can offer the package together, SPF as holding and a working company as subsidiary. Because of the limited amount of work the SPF will take, we will combine this work with the amount of work for the working company.

Price: One off costs :SPF + working company
USD 2401,-. First year administration +

Other use for the SPF.

The SPF can be used for more specific structuring as well.

Of course the SPF can be used “single”, as pure holder of assets. For this you can read the ISSUE on asset protection.

If the SPF is used for guarding family assets and in the case that the assets normally would have been subject to become part of somebody’s estate, we explicitly point out that, although tax will not be an issue because the former owner simply doesn’t own the assets (the SPF does), the will of the former owner will not rule either. In *the letter of wishes* this can be arranged.

How to move existing assets into the SPF?

That’s easy but could be costly. The easy part is that you simply sell it to the SPF. The costly part could be the price paid, or consideration, for this transaction as this could be considered income or gain.

Although there are some work a-rounds, mostly it’s to costly to do.



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