

The real reason for Jersey and Guernsey foundations

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I was talking to someone of considerable expertise on tax haven / secrecy jurisdiction issues about Jersey and Guernsey foundations. He pointed out the real reason for them, and I quote:

I read your piece about foundations. A point you might consider - the main reason for the foundation law was to avoid fiduciary responsibility. A number of court decisions in Jersey held trustees responsible for the activities of the corporations they controlled. Obviously this increased trustee risk to a very high level. When a foundation is involved the new foundation law absolves the agents creating and managing them from responsibility.

Now it makes sense!

Foundations are about screwing the client as well as the rest of the world.

It's obvious when seen that way.

But then I admit, I'm always amazed that anyone trusts offshore practitioners. When their whole business model is based on deception of various sorts, why would you trust them? I know I wouldn't. It would be irrational to do so, and for once I think rationality has a real roll to play.