

## 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 role to play.