

IPG

Protector Services

IPG FAMILY OFFICE

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The Commonwealth of The Bahamas

The Bahamas is an archipelago comprising 700 islands lying off the coast of Florida with 30 of the islands being inhabited. Tourism and Finance are the two mainstays of the economy with much of the activity being focused on Nassau, the commercial centre and the nation's capital.

Financial institutions are licensed by the Central Bank and The Securities Commission of The Bahamas, the former of which is also responsible for the supervisory and regulatory framework as well as ensuring that parity of the Bahamian dollar is maintained against the U.S. Dollar.

The Bahamas achieved independence in 1973 and is a self-governing member of the Commonwealth. It is also a member of the United Nations, the Caribbean Community and the Organization of American States. Queen Elizabeth II is the Head of State.

Government Legislation

The Bahamas has a long history of being a premier trust jurisdiction and is one of the few jurisdictions that specifically refers to a protector being appointed. The Government has recently reviewed its trust laws and as part of this review it has also enacted legislation which introduces the concept of the “Bahamas Executive Entity”. This innovative and significant development will bring a unique addition to wealth planning. The executive functions of the Bahamas Executive Entity will include acting a protector, enforcer, investment advisor or shareholder of a Private Trust Company.

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Protectors

Protectors are increasingly seen as being a cornerstone of every carefully created trust and foundation structure. The responsibilities of the Protector are defined in the trust or foundation instrument and their role is to oversee the actions of the trustees and to ensure the terms of the trust are complied with.

Features and Benefits

- ❖ Enables the settlor to withhold certain powers from the trustees
- ❖ Provides comfort to settlors and founders where there is concern that the trustees may not consider the wishes of the settlor sufficiently closely
- ❖ Assures settlors that after their deaths the affairs of the trusts and the interests of the beneficiaries will be overseen
- ❖ Provides useful guidance in times of change and during unexpected events (e.g. mental or physical incapacity, divorce, imposition of taxation or new laws, claims from illegitimate heirs)
- ❖ Ability to resolve disagreements between trustees and beneficiaries

Examples of powers where the trustees must first obtain consent of the Protector

- ❖ Protectors can be granted negative or positive powers (or both) – i.e. where the protector's consent is required or where the protector can give instructions
- ❖ Approving the addition and removal of beneficiaries
- ❖ Approving proposed trust distributions to beneficiaries
- ❖ Amending the terms of the trust instrument
- ❖ Approving a change in the law governing the trust
- ❖ Terminating or approving the termination of the trust

Powers a Protector can exercise without reference to the trustees

- ❖ Appointing replacement protectors
- ❖ Removing and appointing new trustees

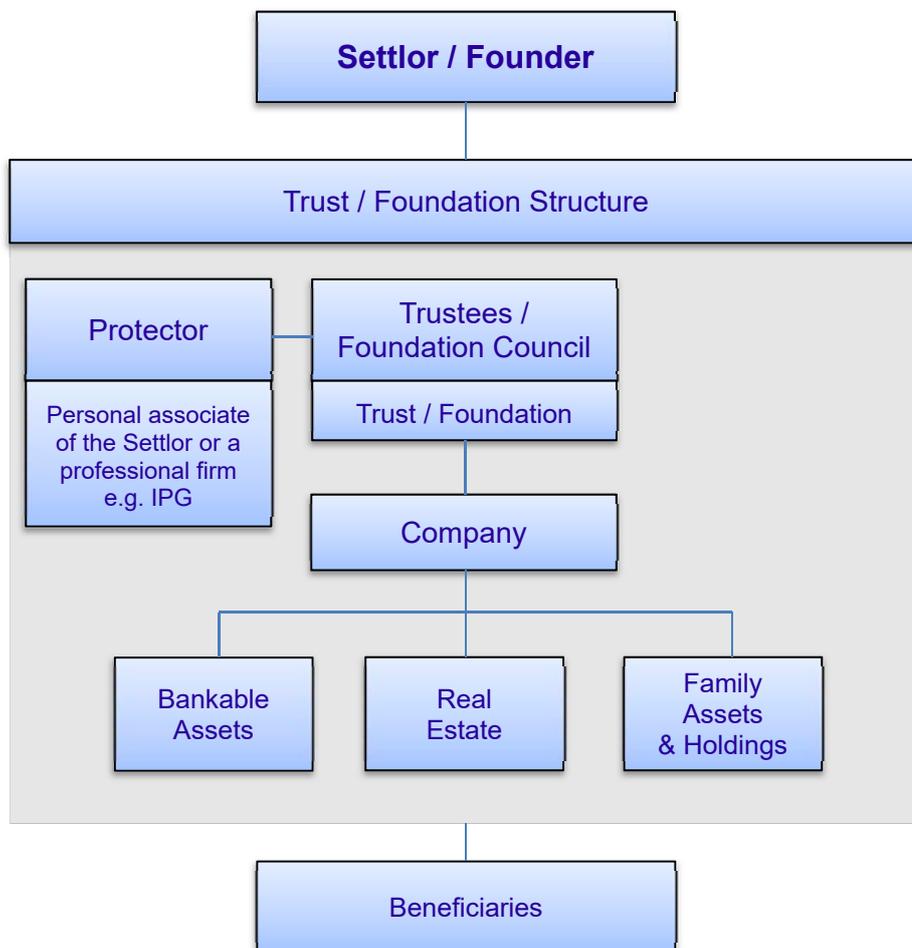
Other activities which commonly involve the Protector

- ❖ Participating or overseeing investment review committees
- ❖ Approving the appointment of agents or professional persons
- ❖ Overseeing or approving trustees' remuneration
- ❖ Reviewing and safekeeping copies of official trust documents

Professional Protector Services

- ❖ Carrying out the role of protector as prescribed in the trust deed
- ❖ Providing consent or otherwise to actions proposed by trustees
- ❖ Performing periodic reviews of trust activities
- ❖ Reviewing financial statements and other trustee documentation
- ❖ Attending trustee meetings and reporting to settlors and beneficiaries
- ❖ Becoming successor protectors to existing structures
- ❖ Advising other Protectors on the execution of their duties
- ❖ Acting as an authorised applicant or as an enforcer to purpose trusts

Typical Structure with a Protector



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Protectors

Fact Sheet

1) What is a Protector?

A Protector is person appointed under the terms of a trust instrument and whose role is to oversee or control the actions of trustees in the manner described in the trust deed

2) Who is a Protector meant to protect?

During the lifetime of the trust a protector should ensure the interests of the beneficiaries always takes priority when any decisions or actions are being contemplated

3) Who can be appointed a Protector?

Protectors can be individuals, a committee of individuals or a legal entity, such as a “Bahamas Executive Entity”. Very often they are closely acquainted with the settlor, but increasingly Protectors are specialists or professionals with experience in the role

4) What are typical powers granted to Protectors?

- ❖ Appointment and removal of trustees
- ❖ Adding and excluding beneficiaries
- ❖ Distributions of assets to beneficiaries
- ❖ Changing the law of the trust
- ❖ Terminating the trust

5) Why would a Settlor appoint a professional Protector?

- ❖ To preserve tax neutrality
- ❖ To have the choice between a corporate protector and an individual protector
- ❖ To find someone able and willing to act also in a fiduciary capacity
- ❖ When it is important to have someone who is independent of all parties and therefore has no conflicts of interest
- ❖ To secure the services of someone who brings knowledge and experience of trust industry matters
- ❖ The place of residence of protector may be important

6) What kind of Protector Services can IPG provide?

- ❖ Acting in an individual, corporate or protector committee capacity
- ❖ Providing or managing a “Bahamas Executive Entity” to perform the role
- ❖ Safekeeping of duplicate trust records
- ❖ Overseeing the investment review committee
- ❖ Providing consent or otherwise to actions proposed by trustees
- ❖ Attending settlor / trustee meetings
- ❖ Accepting an appointment as a successor protector
- ❖ Managing a company or foundation that acts act as protector
- ❖ Acting as an authorized applicant (enforcer) to purpose trusts

IPG

- ❖ Reviewing financial statements and other documents as provided by trustees
- ❖ Periodic reviewing of trust matters and reporting to settlor/ beneficiaries thereon
- ❖ Providing advice to other Protectors

7) Why might a Protector decide to withhold his consent to an action proposed by the trustees?

- ❖ The action might conflict with the settlor's letter of wishes and the Protector considers that the wishes should be followed
- ❖ The Protector may have lost faith in the trustees' ability to act properly and in the best interests of the beneficiaries
- ❖ The Protector might find himself named in a class of beneficiaries and feel that he cannot act with such a conflict of interest
- ❖ The Protector may have information of his own which makes granting consent unwise

8) What should a Protector do when he believes the trustees have acted without obtaining his consent?

- ❖ He must inform the trustees that they have acted improperly and satisfy himself that the incident will not be repeated. If he would have granted his consent to their action, then he need take it no further
- ❖ If, however, the interests of one or more beneficiaries have been impaired he must ensure that the trustees undo their deed or recompense the trust themselves
- ❖ If the Protector is not satisfied that the position has been completely rectified, he should seek legal advice and explore legal remedies
- ❖ If the settlor is still alive, he should seek his views
- ❖ If he has powers under the terms of the trust, the Protector can remove the trustees and appoint new ones
- ❖ If he does not have such powers, he can consider seeking directions of the court to have the trustees replaced

9) Is it better if the Protector is an individual or a legal entity?

Where an individual is contemplated, care should be taken to nominate and complete all the necessary documentation to appoint a successor protector. A legal entity is permanent by nature and such matters need not be attended to. Nominating an individual is the common choice, but using a legal entity, such as a "Bahamas Executive Entity" can have significant advantages. *(Further information is available from IPG)*

10) What happens when a Protector becomes unfit to act or dies?

It is normal for the trust deed to provide for such eventualities and there would be provisions for a protector to be replaced

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Protector Services

Trust Questionnaire

Please complete each section of this form in BLOCK CAPITALS

1. Trust Details

Is the Trust already in existence?	YES NO	If YES, please attach a copy of the deed, if available, or send to IPG later		
Name of the Trust				
Proper law of the Trust, if known				
Name of the Trustees				
Address of the Trustees				
City		Post/Zip Code		
Country				
Telephone				
Telefax				
Email				
Name of contact person				
Nature of the trust, if known	<input type="checkbox"/> Fully discretionary <input type="checkbox"/> Fixed interest <input type="checkbox"/> Settlement	<input type="checkbox"/> Irrevocable <input type="checkbox"/> Revocable <input type="checkbox"/> Declaration	<input type="checkbox"/> Reserved powers <input type="checkbox"/> Other, please describe below:	
Name of the professional firm, if any, which is advising the settlor / the family on trust matters				
Address				
City		Post/Zip Code		
Country				
Telephone				
Telefax				
Email				
Can IPG contact this person?	YES / NO			
Purpose(s) of the trust	<input type="checkbox"/> Tax planning <input type="checkbox"/> Estate planning	<input type="checkbox"/> Protecting assets <input type="checkbox"/> Consolidating assets	<input type="checkbox"/> Succession planning <input type="checkbox"/> Other, please describe below:	
Are the Beneficiaries named in the Trust Deed? (if known)	YES NO	Please attach a copy the Letter of Wishes / Memorandum of Wishes		



2. Trust Assets (if more space is required, please photocopy this page and complete accordingly)

Origin of assets	<input type="checkbox"/> Gift/inheritance <input type="checkbox"/> Sale of business	<input type="checkbox"/> Investment profits <input type="checkbox"/> Professional earnings	<input type="checkbox"/> Sale of real estate <input type="checkbox"/> Other, please describe below:
Initial settled funds, if known			
Additional settled funds (if trust already exists)			
Are financial statements available? (if the trust already exists)	YES NO	If YES, please enclose copies with this Questionnaire, if available, or please arrange to send to IPG later	
Description and value of the assets, if financial statements are not enclosed			
Anticipated level of financial activity	Assets in and out	AMOUNT / ASSET VALUE	Frequency <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Annually <input type="checkbox"/> Other:

3. Beneficiaries

Is the Settlor a beneficiary / to be a beneficiary?	YES NO	
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4. Other Beneficiaries

Title (Mr/Mrs/Ms/Other)	1	2	3
Family Name			
First Name(s)			
Residential Address			
Country			
Nationality(ies)			
Marital Status			
Occupation/Profession			
Date of Birth	DAY / MONTH / YEAR	DAY / MONTH / YEAR	DAY / MONTH / YEAR
Relationship to Trust Settlor			

(If there are more than three additional beneficiaries, please photocopy this page and complete "Other Beneficiaries" accordingly)



5. Protector

Name			
Which location is the Protector required?	The Bahamas	YES / NO	Other (please state)
Name of Retiring Protector (if applicable)			
Address of the Retiring Protector			
City		Post/Zip Code	
Country			
Residential Telephone			
Telefax			
Email			
Name of contact person (if different)			
Reason for retiring			
Under the terms of the trust, who has the power of appointment of Protector? (if known)			
How is the power of appointment exercised? (if known)			
Who has the power – or who has been nominated - to determine the Protector's fees? (if known)			
Other useful information			
IPG will require a schedule of the protector's powers. Is this attached?	YES NO	If not attached, please confirm when this will be submitted to IPG	

6. Undertaking and Signature

I undertake to inform IPG immediately of any changes to this information for the duration of my relationship with IPG.

Settlor / Beneficiary / Protector	
Signature	
Place	Date DAY / MONTH / YEAR



Settlor / Protector / Beneficiary Application Form

Please complete each section of this form in BLOCK CAPITALS

1. Description of Applicant

In which capacity is the Applicant completing this form? (tick all that apply)	<input type="checkbox"/> Settlor <input type="checkbox"/> Joint Settlor	<input type="checkbox"/> Protector <input type="checkbox"/> Joint Protector	<input type="checkbox"/> Beneficiary <input type="checkbox"/> Other, please describe below:
--	--	--	--

2. Name and Personal Details

✓ If there is more than one Applicant, please photocopy this Client Information Form and complete accordingly

Applicant									
Title (Mr/Mrs/Ms/Other)									
Family Name									
First Name									
Full Residential Address									
City					Post/Zip Code				
Country									
Date of Birth <small style="text-align: center;">DAY / MONTH / YEAR</small>									
Place of Birth									
Nationality(ies)*									
Domicile									
Residential Telephone									
Telefax									
Email									
Preferred Method(s) of Correspondence		Phone	YES NO	Fax	YES NO	Email	YES NO	Courier / Letter	YES NO

* Please ensure that all nationalities (if more than one) are stated

3. Background

Professional Background (qualifications, career etc.)							
Employment		Salaried employment	YES NO	Self-employed	YES NO	Non-employed	YES NO
Name of Company				Nature of Business			
Occupation				Position or rank			
If retired, date of retirement <small style="text-align: center;">DAY / MONTH / YEAR</small>							
Annual income		<input type="checkbox"/> \$0-\$150,000 <input type="checkbox"/> \$150,000-\$500,000 <input type="checkbox"/> more than \$500,000		Source(s)			
Estimated overall net worth		<input type="checkbox"/> \$0-\$2.5 million		<input type="checkbox"/> \$2.5 million-\$10 million		<input type="checkbox"/> more than \$10 million	
Political / PEP activities* (at any time)							

* A politically exposed person (PEP) is a senior official in the executive, legislative, administrative, military of a government (whether elected or not), a senior official of a political party, or a senior executive of a government-owned corporation. In addition, a senior political figure includes any corporation, business, or other entity that has been formed by, or for the benefit of, a senior political person. If you are related to such a person, please state such and complete accordingly.



4. Communication

Please state the preferred means of communication		Email	Mail	Fax	Courier
Additional communication preferences					
Should IPG always telephone prior to sending above?		YES / NO			
In the normal course of events, is direct contact with the Client permitted? (Section 1 details apply)		YES / NO			
If NO, please state name of the contact person (and supply their details as below)		1.			
Full Residential Address					
City			Post/Zip Code		
Country					
Residential Telephone					
Telefax					
Email					
Nationality(ies)					
Date of Birth DD / MM / YYYY					
Passport / ID Number(s)			Passport / ID Document expiry date(s)		
Passport / ID Issuing Country(ies)					
If NO, please state the person's relationship (e.g. lawyer, tax advisor etc.) to the Applicant		Specimen signature of the contact person			

- ✓ If Box 1. above has been completed, please ensure that legible photocopies of all valid passport(s) or ID cards(s) of the contact person, independently certified as true copies of the originals, are included with this Form. Please also attach the original or an independently certified true copy of a utility bill, a credit card statement or some other document that verifies the contact person's residential address and which is dated within the last three months.

5. Documentation Required, Certifications and Check List

Topic	Action Required	Checked
1. Communication (Application Form - Section 4)	If Box 1 has been completed, please enclose the following: <ul style="list-style-type: none"> legible photocopies of all valid passport(s) or ID cards(s) of the contact person, independently notarised as true copies of the originals the original of a utility bill, a credit card statement or some other document that verifies the contact person's residential address and which is dated within the last three months 	<input type="checkbox"/> <input type="checkbox"/>
2. Applicant's own identity verification documents	The Applicant needs to: <ul style="list-style-type: none"> attach a notarised copy of their passport(s) or other permanent government issued ID document showing (i) discernible photo (ii) number (iii) country of issuance (iv) issue date and expiry date (v) signature of the Applicant. attach the original of a very recent utility bill or bank / credit card statement or other document verifying the home address stated in Section 1 above. (Numbers on bank or card statements may be concealed) 	<input type="checkbox"/> <input type="checkbox"/>

Certifications must be made by an IPG officer, a bank officer, embassy official, or other professional, e.g. an accountant, attorney at law, corporate service provider in a FATF approved country or a Notary Public. The copy must bear the stamp of the individual or entity confirming the document, his credentials and address, the date and the following statement (adapted accordingly) **"I certify this to be a true copy of the original document which I have before me (and that the photograph is a true likeness of the person being identified)".**



6. Individual Tax Residency Self-Certification (Form TR – New Client)

We may be legally obliged to pass on the information in this Form and other information to relevant tax authorities. Any information we share with tax authorities may be shared with other tax authorities, including those in your country(ies) of tax residence.

Please complete this Form TR only if you are applying to be a new client of IPG or are a new connected party eligible for self-certification.

Part 1 - Individual Information			
Full Name of Individual			
Residential Address (list all addresses, attaching an extra sheet of paper, if needed)			
Mailing Address (if different from above)			
Date of Birth (DD / MM / YY)	DD / MM / YY		
Place / City of Birth			
Country of Birth*			
*If you were born in the U.S. but you claim not to be a U.S. citizen, please give the reason in Part 2 below:			
Part 2 – United States Citizenship or Tax Residency			
Please tick / check all boxes that apply:	<input type="checkbox"/>	I was born in the U.S. but did not acquire U.S. citizenship at birth because	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
	<input type="checkbox"/>	I am not and have never been a U.S. citizen	
	<input type="checkbox"/> *	I am a U.S. citizen	
	<input type="checkbox"/> *	I am a U.S. green-card holder	
	<input type="checkbox"/> *	I am tax resident in the U.S. under the day-counting “substantial presence” test (please consult a U.S. tax advisor for details)	
	<input type="checkbox"/> *	I have elected to be treated as a U.S. tax resident (please consult a U.S. tax advisor for details)	
	<input type="checkbox"/>	Neither of my parents was a U.S. citizen at the time of my birth, and I did not satisfy any other criteria for obtaining U.S. citizenship at birth	
	<input type="checkbox"/>	I was a U.S. citizen but am no longer a U.S. citizen (please provide a copy of your Certificate of Loss of Nationality or a reasonable written explanation as to why you do not have such a Certificate despite having relinquished U.S. citizenship)	
If you ticked / checked a box marked with *, you must also complete an IRS W-9 form			
Part 3 - Tax Residency			
Country of Income Tax Residency	1.	Tax Identification Number (see notes below):	1.
Country of Income Tax Residency	2.	Tax Identification Number (see notes below):	2.
Country of Income Tax Residency	3.	Tax Identification Number (see notes below):	3.
If a Tax Identification Number is not available, please specify the reason			



Part 4 – Declarations and Signature

I hereby confirm that the information and confirmations given above are true, accurate and correct as at today's date stated below.

I acknowledge that the information contained in this Form and other information regarding my interests may be provided to the relevant tax authorities and exchanged with tax authorities of the country or countries in which I am tax resident as provided by law. If my consent is required before such information may be provided to tax authorities, I hereby give such consent.

I certify that I am the individual identified on this Form or am authorised to sign for such individual.*

I undertake to notify IPG and/or to provide further necessary forms and documentation within 30 days where any change in circumstances occurs that results in any information contained within this Form to be inaccurate or incomplete, or risk that IPG may terminate the relationship at its own discretion.

*Note: If you are not the individual identified in this Form, but are signing on such person's behalf, please indicate the capacity in which you are signing this Form (e.g., under a power of attorney, as legal guardian, etc.). If signing under a power of attorney, please also attach a true copy of the power of attorney.

Place and Date	
Signature	
Name	

Notes for the Individual Tax Residency Self-Certification Form

Part 3 – Tax Residency

Legislation requires Financial Institutions to collect certain information about each client's tax residence(s), and to determine whether they are obliged to submit certain account information to relevant tax authorities.

Tax Identification Number (TIN): Please enter your social security number or TIN for all territories which apply to you.

TIN Unavailable: Only complete this section of the self-certification if you do not have a tax identification number or your country does not issue such numbers and then provide the reason in the space provided.

7. Declarations and Undertakings

1. Encumbrances. I confirm and declare that:

- I am the beneficial owner of the assets to be transferred to IPG and / or the trust / company structure, and that I am not acting on behalf of any other person.
- I am not bound by a marital contract or other agreement that inhibits in any way my freedom to transfer assets to a trust / company as described herein
- inheritance and forced heirship rules to which I am subject do not inhibit my desire to dispose of my assets as described herein
- all these assets are free from any other restrictions or encumbrances
- these assets are not derived from criminal acts

2. Solvency. I hereby declare that I am solvent and remain able, after funding the trust / company with the assets described herein, to meet any current or foreseeable financial obligations and that I have no intention hereby to reduce my creditors' rightful claims.

3. Independent Advice. I hereby confirm that IPG has recommended that I consult an independent professional legal and/or tax counsellor concerning the proposed arrangements and the documentation relating to such arrangements. I further confirm that I am not relying on any representations made by IPG as to the tax and/or legal aspects which may result from the business proposed or as to any activities that may be undertaken as a consequence. I understand that I have an obligation to comply with the laws and regulations of my country of citizenship or residence.



- 4. **Independent Verification.** I hereby authorise IPG, its nominees, affiliates, and / or its directors and officers to obtain independent verification of any information that I have provided with respect to my application to open an account and/or to carry out any business transaction or other business with IPG.
- 5. **Correct Information.** I declare that the information provided in this form and the documentation attached is true and correct and further I undertake to inform IPG immediately of any changes to this information for the duration of the relationship as defined in the Terms and Conditions of Business.
- 6. **Fees.** I have reviewed and initialled the Schedule of Fees and am agreeable to the rates chargeable.
- 7. **Terms and Conditions of Business.** I have read, understood and initialled the Terms and Conditions of Business
- 8. **Request to proceed.** Upon receipt of satisfactory references, I request that IPG proceeds with the formation of the trust / company as described herein, although I fully accept that IPG is under no obligation to do so. I hereby confirm that the undertakings and comments given herein to IPG shall be irrevocable and remain valid and correct until IPG terminates its involvement with the trust / company as described herein or with such entities that may be subsequently established at my behest.

8. Applicant's Signature

Applicant	
Signature	
Place	Date DAY / MONTH / YEAR



IPG FAMILY OFFICE LIMITED

PROTECTOR SERVICES

SCHEDULE OF FEES

Acceptance	USD
Acceptance Fee: includes all time spent liaising with the settlor and their advisors prior to our appointment as protector	2,000
Annual Fees – Fixed	
Payable upon appointment of either an individual or corporate protector and annually thereafter; fulfilling annual reporting obligations under FATCA & CRS international exchange of information principles	3,500
Other Fees	
Certification by Notary	100
Legalization by Apostille (inclusive of Government fees)	500
Provision of Know Your Client (KYC) documentation and / or information to third parties, chargeable per individual and / or company and inclusive of notary fees, if applicable	500
Late Payment Fee	100
<i>The fees detailed above DO NOT include disbursements and additional costs such as couriers, faxes, filing fees, revenue stamps (if applicable) and other like expenses</i>	
Other Costs	
Time spent by IPG staff is charged on an hourly basis for undertaking work outside the scope of standard fees	Variable

Fees are subject to change