



FOUNDATION REGULATIONS: DRAFTING GUIDELINES

TRUST SERVICES, S.A. offers more than 40 years experience in drafting fiduciary instruments and our intention is to ensure that your Regulations meet your needs. Families often require provisions special to their personal circumstances and the following points are only a guide.

1) The beneficiaries of the foundation must be named in the Regulations. If a beneficiary predeceases, who will be substituted? This should be considered. Will the beneficiaries receive their share of the foundation when the client dies or will there be conditions attached? What if one of the intended beneficiaries dies before the benefit is due? In some cases, such as maturity, the benefit should only be received when a certain age is reached (perhaps 25 years) although funds can be advanced beforehand for medical and/or educational expenses if the client agrees. All these issues can be addressed in the Regulations.

2) Clients may want to direct the management of the foundation assets and if so they can be appointed Adviser in the Regulations. A substitute Adviser can also be provided for (perhaps a surviving spouse) in the event of the client's demise. Advisers can also be given power to deal with other important issues:

- a) Removing the Foundation Council;
- b) The duration of the Foundation;
- c) Ability to amend the Regulations, to include changing the beneficiaries, so that some possible future circumstances can be covered.

This guide might well lead to further discussions between the client and ourselves as other concerns or issues might be applicable and if so you can be assured that the resulting Regulations will be drafted to meet your particular circumstances.

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