



OVERVIEW

A foundation is an independent legal entity that owns assets outright and is managed by a governing council in accordance with its charter and regulations. Unlike a trust, a foundation does not involve a legal relationship between parties, but instead operates as its own legal person.

Foundations are well suited to governance-driven and long-term succession structures, particularly where clarity, continuity, and independence are important. Asset protection is achieved through legal ownership by the foundation and the non-recognition of foreign judgments, rather than reliance on trustee discretion.

FOUNDATION

Ideal for: Governance-driven structures and long-term succession planning.

General Overview

- The Foundation is a separate legal person.
- Assets are owned outright by the Foundation.
- Managed by a Foundation Council.

Normal Operation

- Council manages assets.
- Founder may retain limited influence depending on design.
- Beneficiaries may be defined or general.

Threat Scenario – Claim Against Founder**1. Founder Does Not Own the Assets**

- Assets belong to the Foundation.

2. Non-Recognition of Foreign Judgments

- Cook Islands and Nevis courts do not enforce foreign rulings.

3. Statute of Limitations

- Transfers must be challenged within 2 years.

4. Nevis Bond Requirement (if applicable)

- Creditors must post a substantial security bond.

5. Independent Continuity

- The Council continues operations unaffected.
- The Founder cannot be compelled to unwind the structure.

Outcome:

The Foundation operates independently and remains insulated.

COOK ISLANDS VS
NEVIS**Nevis Multiform Foundation**

- Established under the Nevis Multiform Foundations Ordinance
- Multi-form flexibility, allowing trust-like, foundation-style, or corporate-style operation
- Strong statutory protection with procedural deterrents
- 1-year limitation period for creditor claims
- Foreign judgments not recognised
- Mandatory creditor bond (typically USD 100,000)
- More stringent due diligence at onboarding

Cook Islands Foundation

- Established under the Cook Islands Foundations Act
- Strong reputation for legal certainty and asset protection pedigree
- Asset protection aligned with the Cook Islands trust framework
- 2-year limitation period for creditor claims
- Foreign judgments not recognised
- No creditor bond requirement