



## OVERVIEW

This structure combines an offshore trust with an underlying LLC or IBC to provide strong asset protection while allowing the settlor to remain actively involved in managing investments. The trust owns 100% of the underlying entity, ensuring legal ownership is separated from day-to-day control.

Under a pre-agreed operating framework, the settlor may act as manager of the LLC or IBC during normal circumstances. Protective mechanisms embedded in the trust deed and operating agreement allow control to be removed and transitioned to independent management if a legal or creditor threat arises, preserving the integrity of the structure.

TRUST + UNDERLYING  
COMPANY

**Ideal for:** Clients who want strong asset protection while remaining actively involved in managing investments.

**General Overview**

- The Trust owns 100% of an underlying LLC or IBC.
- The settlor may act as Manager of the LLC under a pre-agreed Operating Agreement, handling day-to-day investment and operational decisions.
- Legal ownership rests entirely with the Trustee, ensuring separation between control and ownership.
- All distributions or withdrawals require Trustee approval, maintaining protective oversight.

This structure balances operational freedom with offshore legal separation.

**Normal Operation**

- Settlor manages the LLC in accordance with the Operating Agreement.
- Trustee oversees the Trust, approves distributions, and ensures compliance.
- Management accounts are maintained and available to the Registered Agent and Trustee.
- New asset contributions require notification and approval.

**Threat Scenario – Litigation Becomes Likely**

Once a claim is foreseeable, pre-defined protections are activated:

**1. Removal of Settlor as Manager**

- The Trustee may remove the settlor as Manager under the Trust Deed and Operating Agreement.
- This eliminates any argument that the settlor controls trust assets.

**2. Appointment of a Corporate Manager**

- A licensed offshore management company (selected in advance) assumes management.
- The settlor retains no authority.

**3. Trustee Protective Measures**

- Actions may include freezing activities, relocating assets, changing mandates, tightening communications, or moving banking relationships.

**4. Charging Order Protection at the LLC / IBC Level**

- Creditor's sole remedy is a charging order.
- No management rights, no access to records, no asset rights.
- Distributions are discretionary and cannot be forced.
- Charging orders expire (Nevis: 3 years; Cook Islands: 5 years).
- In Nevis, a USD 100,000 bond is required.

**5. Trust Statute of Limitations Applies**

- Transfers must be challenged within statutory periods (Nevis: 1 year; Cook Islands: 2 years).
- After expiry, transfers are legally unassailable.
- Foreign judgments cannot bypass these limits.

**Outcome:**

The client becomes fully insulated from the assets, while creditors face overwhelming legal and procedural barriers.