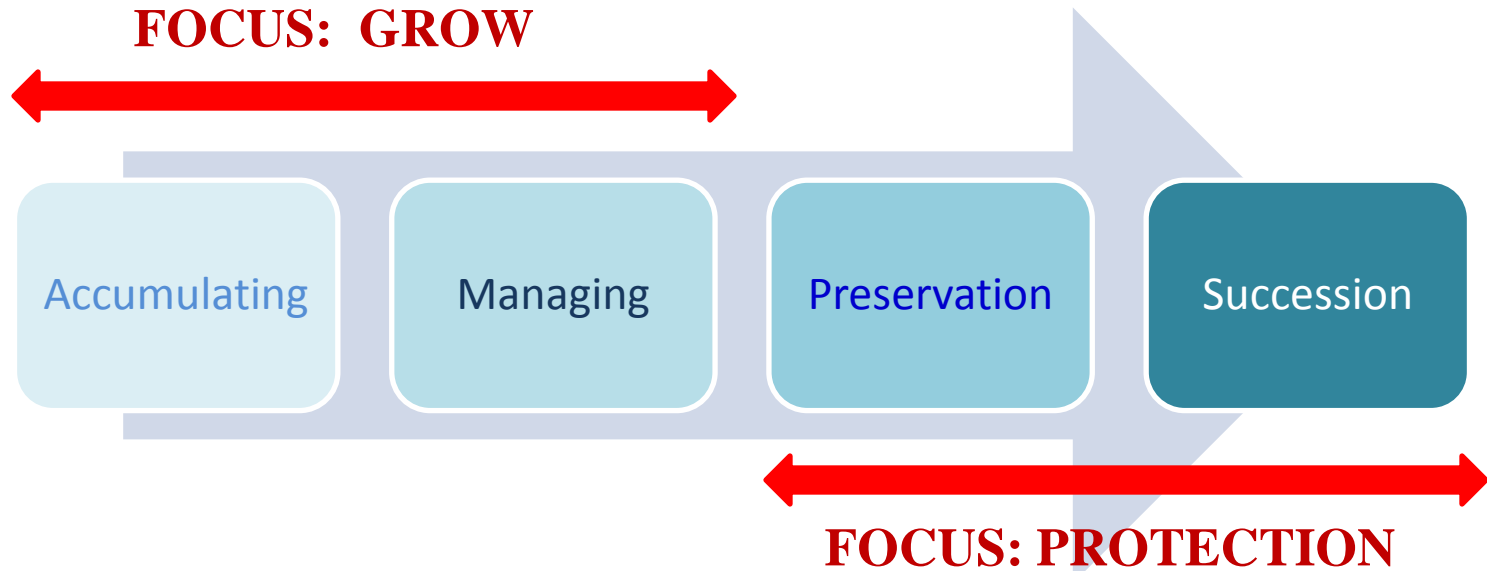




LABUAN FOUNDATIONS FOR WEALTH PLANNING

LABUAN IBFC INC SDN BHD IS THE OFFICIAL AGENCY AUTHORISED BY THE MALAYSIAN GOVERNMENT TO MARKET LABUAN AS THE PREMIER INTERNATIONAL BUSINESS AND FINANCIAL CENTRE IN ASIA PACIFIC

WEALTH PLANNING...



THREATS...

EXTERNAL THREATS

- Creditors
- Loss of Income
- Large unexpected outflow



Accumulating

Managing

Preservation

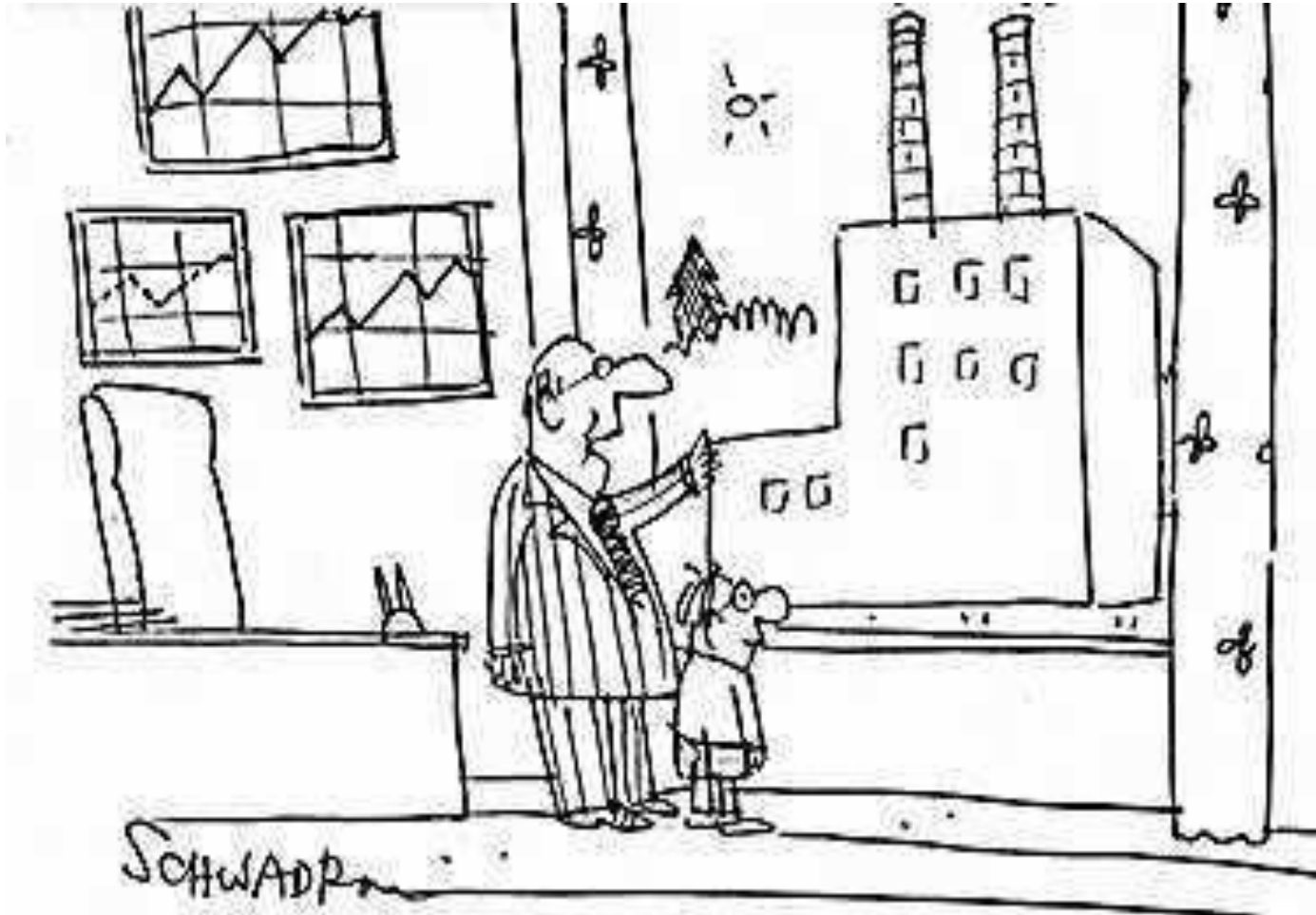
Succession



INTERNAL THREATS

- Family Conflicts/ Problems
- Divorce
- Tax

MATRIMONY...



“Someday, 50% of this will belong to your ex”



Thai divorce rate exceeds 26%

The Deputy Prime Minister reports that Thai divorce rates are increasing.

The Deputy Prime Minister and Minister of Social Development and Human Security, Mr. Paiboon Wattanasiritham (ไพบุณย์ วตนศิริธรรม), revealed that latest information from the Department of Provincial Administration, Ministry of Interior, indicates that in the last 10 years, Thailand's divorce rate has increased from 10 percent in 1994 to 26 percent in 2006. 89,153 married couples filed for divorce last year.

The Deputy Prime Minister reports that domestic violence is also increasing, with 14,000 women and children having been physically abused. Close relatives or family members are responsible for up to 40 percent of physical violence. Mr. Paiboon encouraged family members to engage in group activities in order to peacefully resolve disputes and strengthen family relations.

News ID: 255005270023

Reporter : RTI-Reporter06
News Date : 27 May 2007



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- TAT to join SRT in offering OTOP train service (2012-06-13)
- OBEC urged schools to rein in Euro 2012 betting among students (2012-06-13)
- Government assures flood victims of timely compensation & rehabilitation (2012-06-13)
- DDPM: 10 provinces remain as drought-hit zones (2012-06-13)
- PM orders authorities to closely supervise flood compensation (2012-06-12)
- THAI labor union calls for probe into board chairman's conduct (2012-06-12)
- Parliament President postpones controversial bills (2012-06-12)
- Thailand enters agro-cooperation with Australia (2012-06-12)

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SUCCESSION FRAUD...

Little Sweetie's lover arrested for forging Hong Kong billionaire's will
Feng shui expert accused of faking will of former lover, Hong Kong's riches woman Nina Wang



OTHER EXAMPLES...

Two gamblers lose combined \$115 million in Singapore casinos

LAS VEGAS REVIEW-JOURNAL

Posted: Oct. 12, 2010

Singapore, which opened its first casino in February, has already earned its place in gaming lore.

Two gamblers lost a combined \$115 million in American dollars during baccarat sessions at the island nation's two casinos, including the Marina Bay Sands, which is operated by Las Vegas Sands Corp.

According to Singapore media, it was unclear how long the session lasted for the two gamblers, which included a Singapore businessman who appeared on the latest Forbes list of Singapore's 40 richest people.

Alimony

In contrary to what many people believe, there is no set alimony formula for divorce. Alimony is based on divorce negotiation or court judgment.

Sapura patriarch sues sons for shares and properties

THE EDGE FINANCIAL DAILY

April 05, 2012

Sapura Group founder Tan Sri Shamsuddin Kadir has filed a suit demanding his two sons return shares and properties worth over RM450 million..

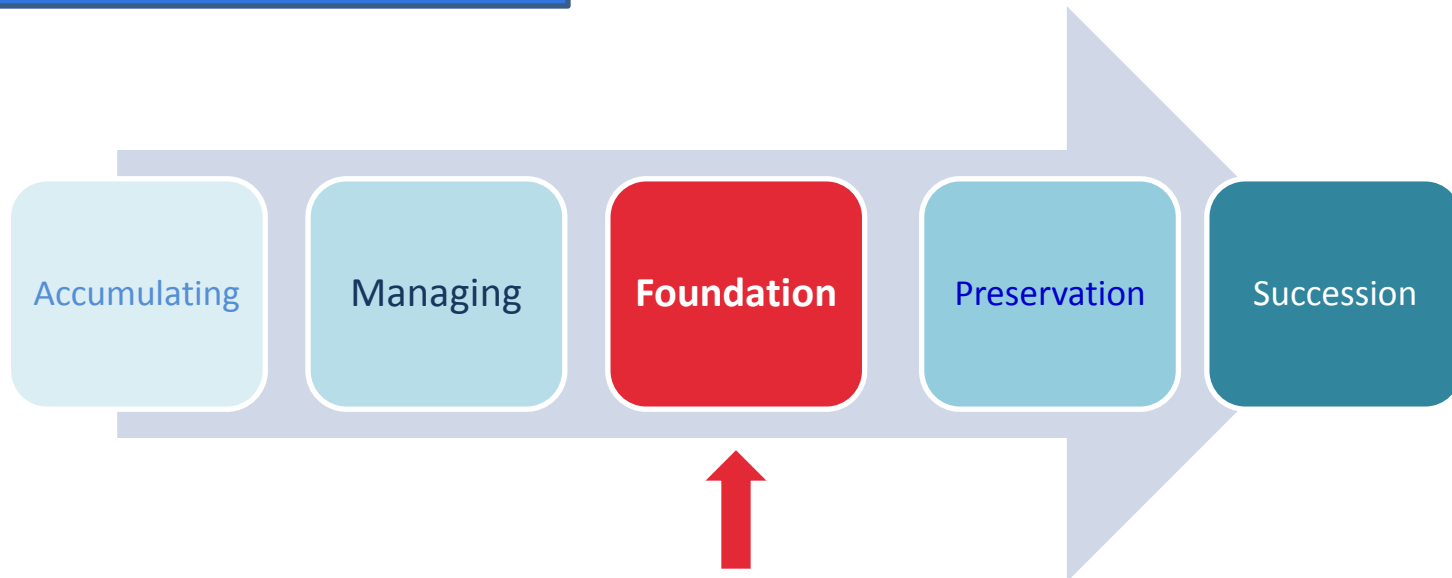
Taib's son divorces wife

THE STAR

May 12, 2011

On Feb 21, Shahnaz filed applications to get RM300mil in matrimonial property (*harta sepencarian*) and RM100mil in gifts (*mutaah*).

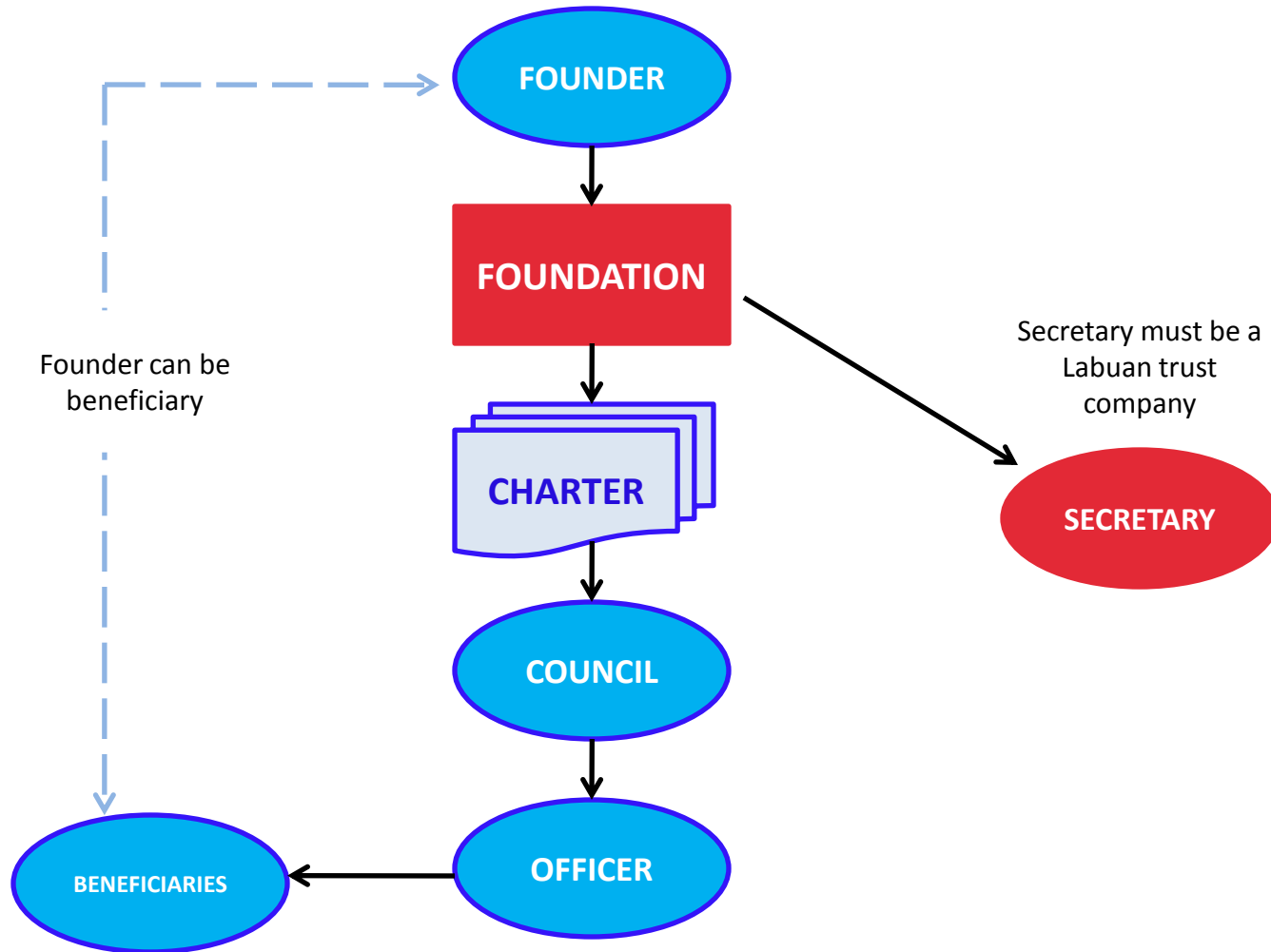
PLAN AHEAD...



Labuan Foundation can be used as a very effective wealth management tool to both manage and protect your assets.

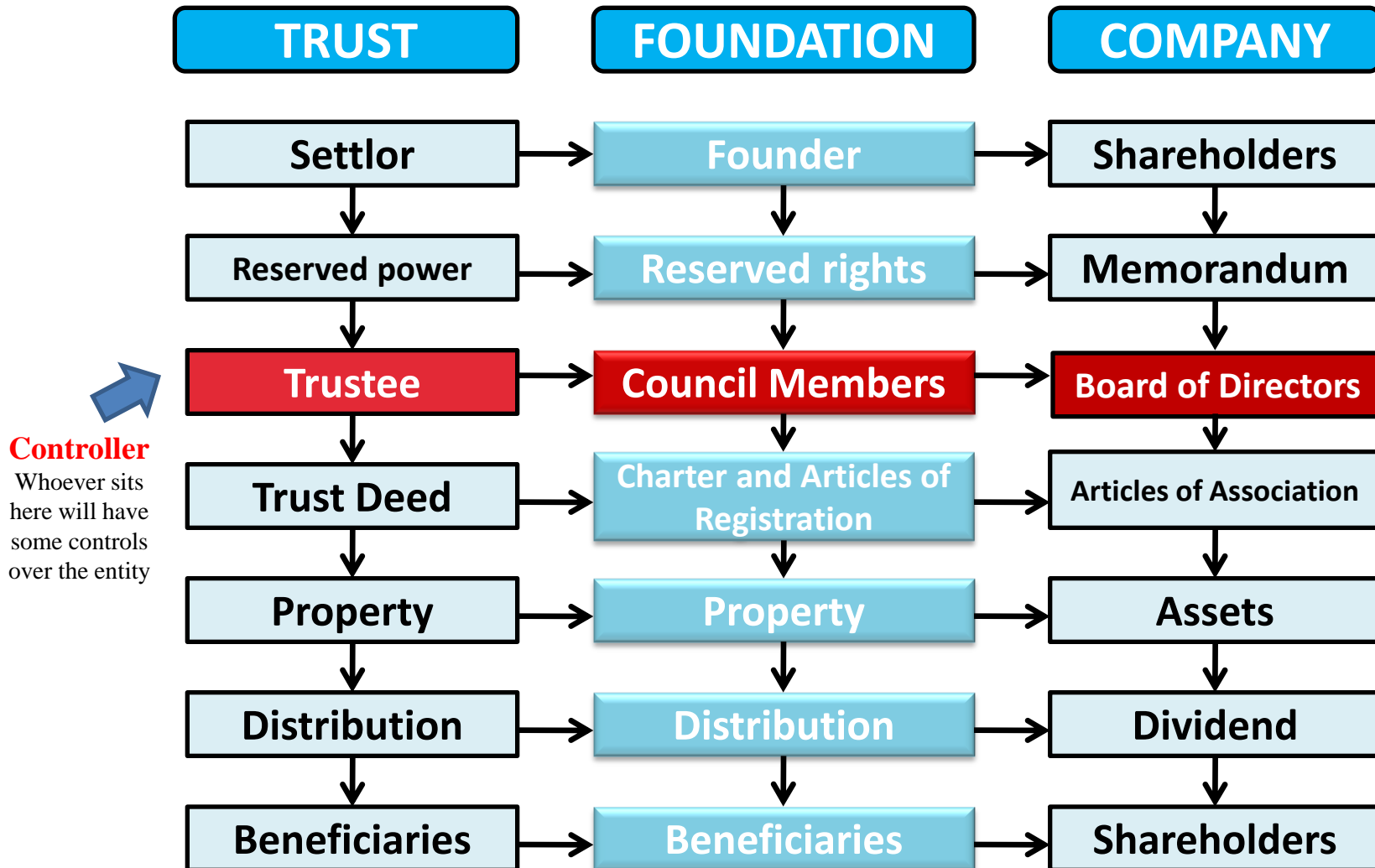
- 1) Non residents can set-up a Labuan foundation (endowment of Malaysian property requires approval)
- 2) Labuan foundation can be used for all lawful activities and not restricted to charity only
- 3) The beneficiaries of a Labuan foundation may be Malaysian residents
- 4) There is no minimum property required to set-up a Labuan foundation

STRUCTURE OF A LABUAN FOUNDATION



Labuan Foundations are easy to understand

Foundation's structure is similar to a company with protection characteristics similar to a trust



Labuan Trusts vs. Foundations

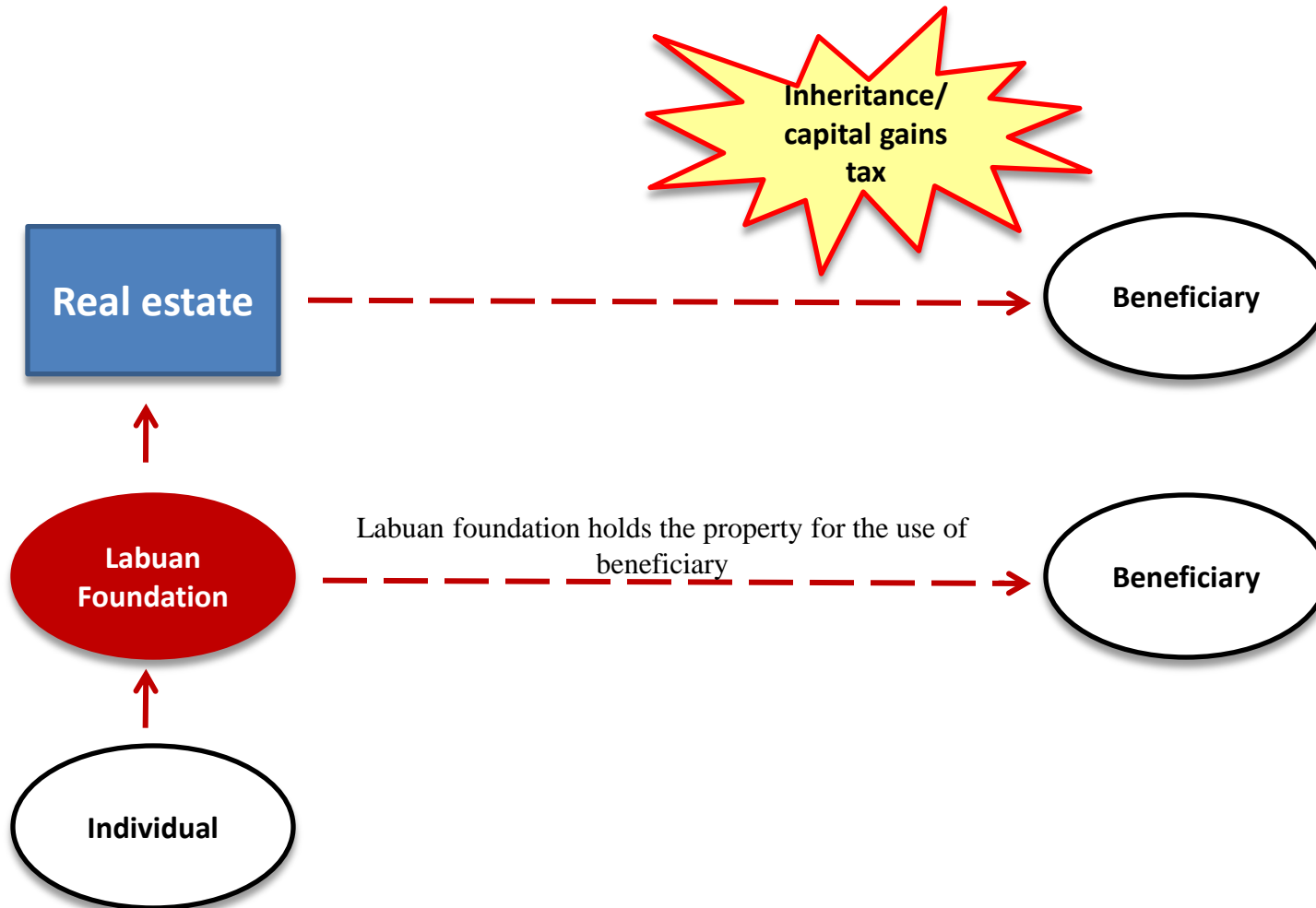
Similarities

- Both can be created in **perpetuity**
- Both have **no minimum capital** requirement
- Settlor or Founder can be the **beneficiary**
- Protected against creditors after **2 years**
- Both allow **reserved powers and rights**

Differences

- Foundation is a **registered** legal entity (contractual relationship); but a trust is not a legal entity (fiduciary relationship) and registration is optional
- Trusts are created in **common law** origins whereas Foundations in **civil law** countries
- Trustees have unlimited **liability** in respect of activities of the trust but Foundation's administrators/founder are not personally liable
- Trustee **controls** the trust, while Council of foundation controls the Foundation
- **Interest** of the beneficiaries of a Trust is paramount but the founder carries more weight with a Foundation

Using foundation as 'Tax Blocker'



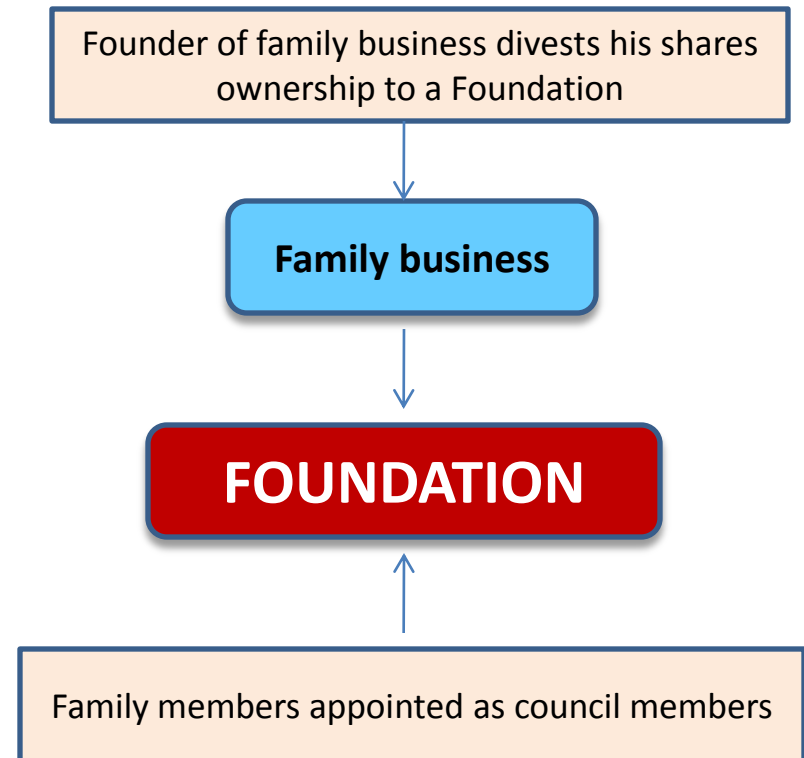
Using foundation for family business succession

Common problems with family business succession

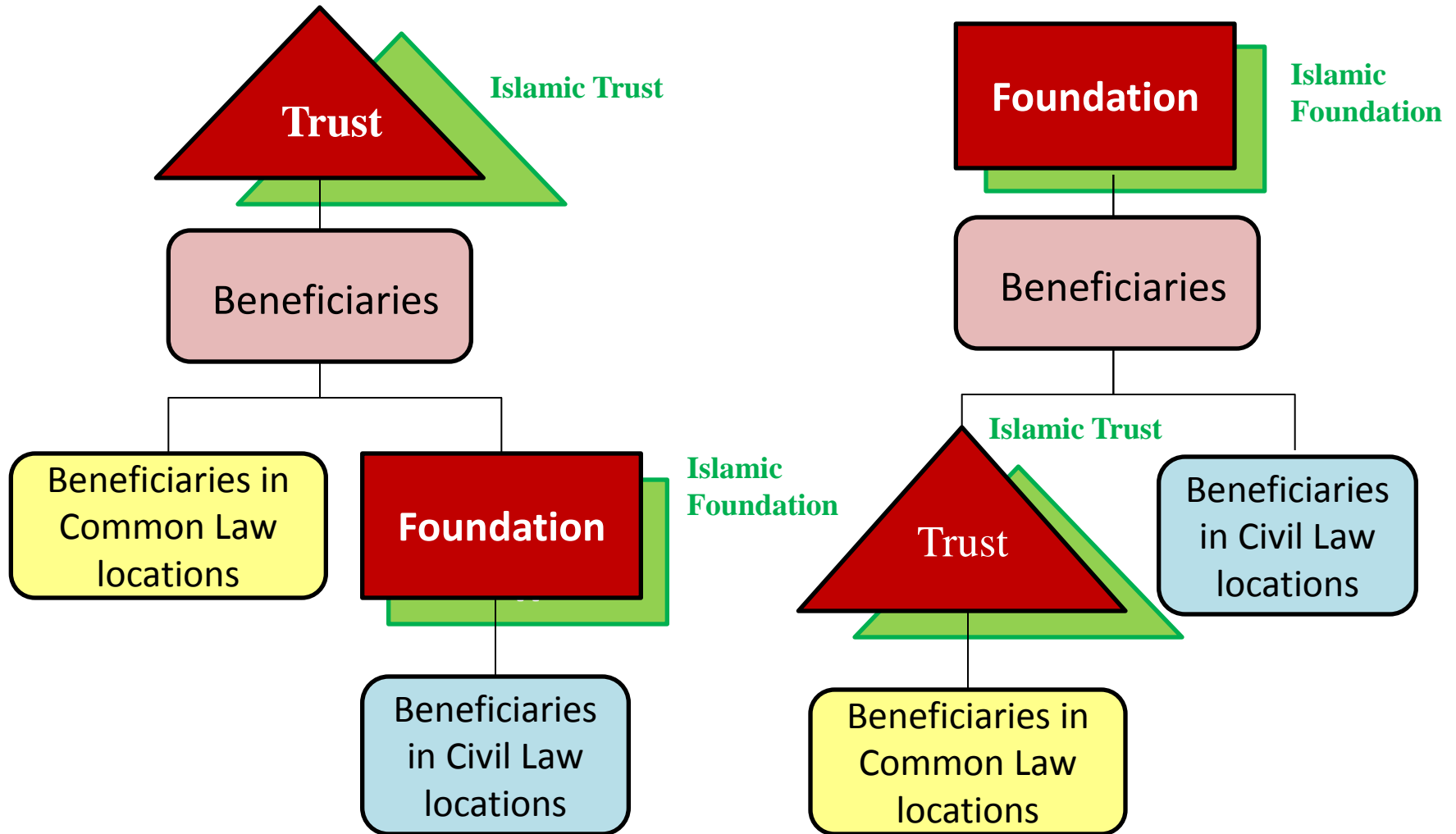
1. Family feuding as a result of misunderstanding, sibling rivalry, nepotism, suspicious of each other and so on.
2. Lack of family involvement in succession planning.
3. Successor not identified.

Foundation as a good succession mechanism

1. Allow family members to be involved and work on common goal.
2. Provide an open communication platform.
3. Founder has mechanisms to exercise control.



Labuan is the only jurisdiction in Asia Pacific offering both Trust and Foundation



Labuan Secrecy

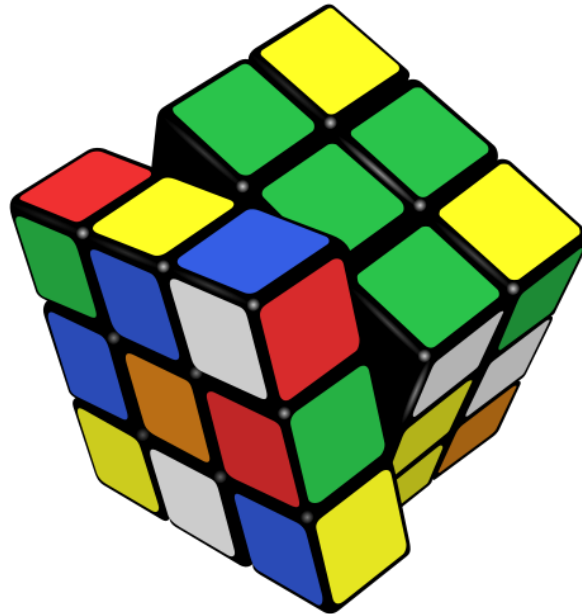
Secrecy

No person who has by any means access to any record, book, register, correspondence, document, material or information, relating to the business and affairs of a Labuan trust shall give, divulge, reveal, publish or otherwise disclose to any person such record, book, register, correspondence, document, material or information.

All proceedings (other than criminal proceedings) relating to a Labuan trust commenced in any court under the provisions of Labuan Trust Act and any appeal therefrom, shall, unless the court otherwise orders, be heard *in camera and no* details of the proceedings shall be published by any person without leave of the court.

Key take Away...

Labuan Foundation is a very effective tool that you can use for your wealth management planning. It gives you both protection and control over your own property.



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