



## Trust Services

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## RESTRICTIONS

### Key Features of the Nevis Trust Law (Nevis International Exempt Trust Ordinance) NIETO

- **Formation** – Non-resident settlors and beneficiaries now have the right to form tax exempt trust with asset protection provisions base on the NIETO.
- **A Settlor** may be a beneficiary of the Nevis International Trust.
- **Minimum Assets** – Nevis law does not specify a minimum amount of assets that could be placed in a trust at inception or during its existence.
- **Asset Protection** – Nevis Law on international trust offers significant provisions for asset protection with the inclusion for application for strict evidence beyond reason of a doubt before finding the settlor guilty of fraud.
- **Beneficiaries** – Under Nevis International Exempt Trust Ordinance beneficiaries must be identifiable as an individual, a member of a class, or by means of a relationship to a specific person(s). Beneficiaries are allowed to disclaim their rights under the trust despite the receipt or non-receipt of distributions. Beneficiaries are eligible to indemnification or expenses such as legal fees incurred to defend a third party claim for duplicitous transfers if the petitioner fails to prove the beneficiary acted in bad faith.
- **Protectors** – is not a trustee but a person who is given fiduciary responsibility stipulated in the trust deed. A Nevis trust must provide a protector with the powers for the appointment and removal of Trustees

- and any other responsibilities specific to the Trust Deed. They monitor the acts of the Trustees.
- **Registration** – a register of all international trust is maintained for recording the names of all international trust, registered office name and address, and confirmation from a Nevis Trustee company or attorney that the trust will be renewed each year. Annual registration along with the prerequisite fees is required to maintain existence of the trust. Upon termination, the Trustees will be required to notify the Registrar of Trust dissolution.
- **Residence requests** – both settlors and beneficiaries of Nevis International Exempt Trust are required to be a non-resident of Nevis.
- **Irrevocable or Revocable** – Trust that is revocable will be at the discretion of the settlor. An irrevocable trust means not revocable. However, all beneficiaries may wish to terminate a trust and distribute the assets in accordance with the trust deed. Beneficiaries of a Spendthrift trust cannot terminate the trust because of the discretionary nature.
- **Statutes of limitation** applies for a maximum of two years after the cause of action arose and must begin no more than a year after the transfer claiming fraudulent transfer of the settlor's assets. There is also a bond that the settlor must apply for in the amount of USD 100,000 if they wish to challenge a matter in court.
- **Tax Status** – International trust in Nevis are exempt from all taxes and stamp duties. Offshore beneficiaries of domestic trusts are subject to 10% withholding tax on remittances.

- **Foreign Proceedings** – any actions of a foreign court awarded against a Nevis International Trust, its settlor, beneficiaries, trustees or protector are not allowed if the subject matter was governed by Nevis law.
- **Financial Information Disclosure** – Nevis law contains no provision for disclosure about the trust activities.
- **Re-domicile of Trust** – Under Nevis law a Settlor can choose which law is the preferred governing law. A trust created with the governing law of Nevis may opt to change the law to another jurisdiction and a trust created with a governing law of another jurisdiction may wish to change to that of Nevis. These changes will not invalidate the trust. A trust which fails to expressly state the proper law will have its proper law assessed by reference to the place where the trust is administered, the trustee place of business, the location of the trust assets and the place where the purpose of the trust is carried out.
- **Confidentiality rule** – trustees are held by automatic fiduciary duty to uphold the standard of confidentiality with regards to the operation and assets of a trust.
- **Accumulations** – there are no restrictions for income accumulations for International Trusts.
- **Exchange Controls** – International trusts are allowed to repatriate capital and income and are exempt exchange control.
- **Perpetuity Period** – The rule of against perpetuities does not apply to an international trust unless otherwise provided.