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6 Trusts

(a) General

The current trust law in Vanuatu is governed primarily by UK common law and statutes in existence as at 1 January 1976. There has been a new suite of trust legislation drafted but not yet laid before Parliament. This includes an International Trust Act which contains specific asset protection, creditor protection and forced heirship clauses for "international trusts".

A trust is not subject to any reporting requirements in Vanuatu and hence secrecy of financial information is assured. Information required to set up a trust is as follows:

- (i) the proposed trust name;
- (ii) the client's address;
- (iii) details of assets to be held; and
- (iv) details as to how the client wishes the assets and income of the trust to be dealt with both during his (her) lifetime and after his (her) death.

(b) Transfer and Repatriation of Funds

Vanuatu has no foreign exchange regulations and therefore there are no restrictions in this regard.

(c) Costs of Establishing and Maintaining a Trust

Registered trusts are subject to a stamp duty of VT7,500 (US \$65). Other costs of establishing and operating the trust would normally include a trustee fee, plus, where applicable, accounting fees, services in relation to the trust's operations and the provision of professional advice.

III TAXATION

1 General

In Vanuatu there is no income tax, withholding tax, capital gains tax, gift, death, estate or successional duties that apply to companies, trusts or individuals. There are no tax treaties with other countries and thus no exchange of information with other countries.

Government revenue is gained from indirect taxes.

2 Stamp Duties

The Stamp Duties Act sets out a range of stamp duties that must be paid in relation to certain instruments. These include bearer securities, bills of sale, declarations of trusts, leases, mortgages, powers of attorney and transfers of property.