## Bahamian Private Foundation

<table>
<thead>
<tr>
<th><strong>General</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of entity</td>
<td>Foundation</td>
</tr>
<tr>
<td>Type of law</td>
<td>Civil</td>
</tr>
<tr>
<td>Limited Liability</td>
<td>Yes</td>
</tr>
<tr>
<td>Our time to establish a Foundation</td>
<td>Two weeks</td>
</tr>
<tr>
<td>Foundation Capital minimum (equivalent in currency)</td>
<td>$10,000</td>
</tr>
<tr>
<td>Foundation Capital currency</td>
<td>Any</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Publicly accessible records</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation Charter</td>
<td>Optional</td>
</tr>
<tr>
<td>Foundation Regulations</td>
<td>No</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>No</td>
</tr>
<tr>
<td>Name of Founder</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Officers of Foundation</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Protector Required</td>
<td>Optional</td>
</tr>
<tr>
<td>Corporate Protector permitted</td>
<td>Yes</td>
</tr>
<tr>
<td>Minimum number of Council Members</td>
<td>Two</td>
</tr>
<tr>
<td>Corporate Council Members permitted</td>
<td>Yes</td>
</tr>
<tr>
<td>Meeting location</td>
<td>Anywhere</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Local Requirements</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation Agent</td>
<td>Yes</td>
</tr>
<tr>
<td>Secretary required</td>
<td>Yes</td>
</tr>
<tr>
<td>Language of Charter</td>
<td>Any, but a translation is required</td>
</tr>
<tr>
<td>Language of Regulations</td>
<td>Any, but a translation is required</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Accounts</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Requirement to prepare</td>
<td>Yes</td>
</tr>
<tr>
<td>Audit requirements</td>
<td>Optional</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Other</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Government Fee</td>
<td>US $500</td>
</tr>
<tr>
<td>Change of domicile permitted</td>
<td>Yes</td>
</tr>
</tbody>
</table>

## GENERAL INFORMATION

**Introduction**

The Bahamas extends in a 1,225 km arc from 78 km east of Palm Beach, Florida, to just north of Haiti. The Bahamas consists of an archipelago of nearly 700 islands and 2,400 cays.
**Population**
The population of the Bahamas is approximately 319,000.

**Political Structure**
In July 1973, the Bahamas became an independent nation and a Member of the Commonwealth of Nations. The Government is based on the British Constitutional pattern with a Prime Minister, Cabinet of Ministers, an appointed Senate and a House of Assembly elected by the people to control and administer the day to day affairs of the Bahamas. The Head of State is HM Queen Elizabeth II and she is represented by a Governor General. The law of the Bahamas is based on English Common Law and the Court System is also modelled after that of the United Kingdom having Magistrates Courts and a Supreme Court.

**Infrastructure and Economy**
The Bahamas has excellent communications. There are direct flights from Europe as well as many US cities. Miami is only 30 minutes away and New York is less than three hours away.

**Language**
The official and spoken language is English.

**Currency**
Bahamian Dollar is on a par with the US Dollar.

**Exchange Control**
Residents are subject to Exchange Control, but International Business Companies are exempted.

**Type of Law**
Statute Law and Common Law based on English Common Law.

**Principal Corporate Legislation**
The Bahamas Foundations Act 2004

**FOUNDATION INFORMATION**

**Purpose**
The Foundation may be used for charitable or non charitable purposes or simply to benefit a person or class of persons. The Foundation may be revocable and may be created inter-vivos or mortis-cause.

**Procedure to Incorporate**
The Foundation can be created by one or more natural persons or by a body corporate and is established upon the successful registration of the “foundation” before the Registrar General.

A private instrument signed by the Secretary or a Foundation Agent engaged to form the foundation is submitted together with the following information:

- An application for registration
- The Foundations Name which must not be identical or similar to any other existing foundation in Bahamas. The word Foundation must be included and the name must first be reserved prior to the submission of the Charter for a period of up to 90 days.
- Date of Charter and Articles
- Details of the purpose of the Foundation
- Full name and address in the Bahamas of the Registered Office.
- Full name and address of the secretary for Foundation Agent who must be licensed under the Financial and Corporate Service Providers Act or a Licensed Trust Company.
- Full name and address of the Foundation Council
- Value of initial assets
- Duration for which the foundation will be active
• Full name and address of any Officer(s) of the foundation.
• A statement that the Foundation Capital will contain assets of a minimum value, or equivalent of US $10,000
• A declaration that all the requirements of the Foundation Act in respect of the registration of the foundation have been complied with.

The Foundation Charter or Articles may, but need not, be filed with the Registrar to complete the registration process.

After the successful submission of the above the foundation will be issued a number and certificate stating that the foundation has been registered in accordance with the provisions of the Foundation Act, 2004.

The Foundation Articles
Articles are NOT required. In their absence the Act will apply.

A Foundation may have Articles which may include:

• The procedures to appoint remove and remunerate council members, protectors and the registered agent
• Provide rules in relation to the office of protector, if appointed,
• Procedure to appoint the foundation’s beneficiaries, amount or percentage of interest, the founder may be included as a beneficiary
• Regulations in relation to any initial or further dedications of assets
• Regulations in relation to the duration of the foundation, destination of surplus assets or winding up.
• The rules for rendering the accounts

Perpetuity Period
A Foundation can run in perpetuity unlike a trust which has a limited life span.

Foundation Capital
The Founder(s) undertake to contribution or donate an amount not less than or equivalent to US $10,000 to establish the Foundation. The Foundation Capital may be increased by the founder or by the Council Members of the Foundation:

Powers of Foundation
A Bahamian Foundation has all the powers of a separate legal entity including the ability to manage and own assets in its own name and arrange for its own funding.

Language of Legislation and Corporate Documents
The Foundation Charter can be in any language.

Secretary or Foundation Agent
The Foundation must retain a local Secretary or a Foundation Agent who must be licensed under the Financial and Corporate Service Providers Act or a licensed Trust Company.

Shelf Available
No

Time to Establish
Two weeks

Name Restrictions
The name of the Foundation must end with the word “Foundation” and must be pre approved by the Registrar and the name reserved prior to registration for a period of up to 90 days.

Language of Name
Names can be expressed in any language using the Latin alphabet.

Limited Liability
A Foundation is similar to a company in that it carries limited liability.
COMPLIANCE

Taxation
Provided that the contributions received by a Foundation and the income from such contributions originate outside that fiscal territory of the Bahamas, a Foundation shall pay no taxes, save for a US$500 Annual Franchise Tax.

Financial Statements Required
Whilst there is no requirement to file financial statements with the authorities, it is important to note that a Foundation is required to keep financial records, which reflect the financial position of the Foundation. The Foundation books of account may be kept in Bahamas or abroad.

Founder
The Founder(s) is one or more persons, whether natural persons or bodies corporate, similar to a Settlor in a trust. Where there is more than one Founder they must exercise their powers jointly unless the Charter otherwise provides. The law prescribes that the assets may be donated by declaration so as to keep the founders name confidential.

Founders have rights and obligations where the Foundation Charter grants the Founder full power, the Founder shall have the right and power to adopt the Foundation Articles, amend them, freely appoint and remove the Foundation Council, the Protector and the Beneficiaries, act as adviser, protector or beneficiary, revoke the creation of the Foundation or any transfer made to it, receive and demand Statements of Account and redomicile the foundation and/or dissolve it.

After the registration of the Foundation, the Founder shall acquire the obligation of the contributions he has undertaken.

The Foundation’s assets constitute an estate separate from the Founder’s personal/corporate assets.

The Protector
A protector, (known in law as “supervisory bodies”) may be an individual or body corporate. The protector can be the Founder or a beneficiary but in practice it is someone that the founder trusts. The responsibilities of the Protector are specified in the Foundation Charter, which include but are not limited to the supervision of the Foundation Council.

Foundation Council Members
Where the Charter provides for Council Members they may be a natural person or body corporate. A minimum number of two council members of any nationality above the age of minority are required. Council members are bound to act within the scope of the foundation rules and have exposure unlimited liability if they engage in misconduct.

Beneficiaries
A beneficiary with an interest in some or all of the Bahamian Foundation assets must be notified by the Officers of the Foundation of his/her interest and shall be entitled to receive the Charter documents and books of account including any audited statements.

Disclaimer
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