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# Why Middle Eastern families choose Channel Islands private trust companies and private trust foundations

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As intergenerational wealth in the Middle East continues to grow, affluent families are increasingly turning to sophisticated structures to preserve and transition assets across generations.

Among the most favoured jurisdictions for this purpose are Jersey and Guernsey, renowned for their robust trust laws, case law, political stability, and deep expertise in private wealth management.

Over the years we have seen a steady increase in the use of private trust company and private trust foundation structures by Middle Eastern clients for their international assets.

## What is a private trust company (PTC)?

A PTC is a bespoke, privately-owned corporate trustee established to act as trustee for one or more trusts, typically for a single family. Unlike a professional trustee company serving multiple clients, a PTC is controlled — directly or indirectly — by the family it serves, alongside the professional trustee allowing for enhanced oversight and alignment with the family's values, governance practices and succession goals.

## Why choose PTCs?

**1. Cultural alignment and control**

Family and tradition play a central role in Middle Eastern culture. A PTC allows family members, advisors or trusted associates to sit on the board of the trustee company. This aligns decision-making with family values and ensures continuity of governance in a way that an outsourced trustee arrangement may not.

This level of involvement is particularly important in Islamic families who may wish to integrate Shariah-compliant principles into their succession planning. The Channel Islands provide sufficient flexibility to accommodate these requirements while maintaining internationally recognised fiduciary standards.

**2. Robust legal and regulatory framework**

Jersey and Guernsey are internationally recognised for their mature and transparent legal systems. They offer modern robust trust legislation that supports tailored, flexible structures which is essential when managing

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complex, multi-jurisdictional family wealth.

The Jersey and Guernsey courts and regulators have a strong track record of supporting the proper operation of trusts and PTCs, providing confidence to families who may be wary of the legal uncertainties in their home jurisdictions.

**3. Tax neutrality and confidentiality**

The Channel Islands offer a tax-neutral environment, ensuring that the trust or PTC does not attract additional layers of taxation on assets already taxed in their country of origin. For Middle Eastern families with global assets, this neutrality simplifies compliance and planning.

Additionally, privacy is a key concern. Unlike some other jurisdictions, the Channel Islands do not maintain public registers of beneficial ownership for trusts or PTCs, allowing families to preserve confidentiality while maintaining compliance with international transparency standards.

**4. Succession planning across jurisdictions**

Families with members residing across multiple jurisdictions — common among Middle Eastern families with children educated or living abroad — require wealth structures that are internationally portable and adaptable.

A PTC allows a family to manage diverse assets (including UK property, US securities, Middle Eastern businesses and offshore portfolios) within a single governance framework, making succession planning more efficient and secure.

PTCs also mitigate the disruption often caused by generational change. Unlike individual trustees who may die or become incapacitated, the PTC endures, providing a stable trustee that can evolve with the family's needs.

**5. Professional infrastructure and expertise**

The Channel Islands are home to a highly developed fiduciary and legal services industry, with expertise in managing wealth for clients from the Gulf Cooperation Council (GCC) countries and beyond. Firms based in Jersey and Guernsey are well-versed in regional cultural and religious sensitivities.

This familiarity allows for the creation of nuanced structures that not only comply with global best practices but also resonate with family values and traditions, including succession principles based on Islamic inheritance law.

## So why choose a private trust foundation (PTF) in the Channel Islands rather than a PTC?

**1. Ownerless, perpetual structure**

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Foundations in Jersey and Guernsey are not owned by anyone (unlike companies, which have shareholders). This makes them ideal for long-term or perpetual planning, especially for family wealth preservation or philanthropic purposes.

**2. Greater privacy (no shareholders)**

A PTC is a company and must register directors/shareholders, even if held through nominee structures. A foundation however is governed by a council and has no shareholders, enhancing privacy and reducing risks tied to ownership structures. It also prevents the need to have purpose trust above the PTC.

**3. Defined purpose or mission**

Like a purpose trust, foundations can be established for a specific charitable or non-charitable purpose, or to benefit a class of beneficiaries (like a family). This purpose is set out in the foundation's charter, making it well-suited to act as a trustee.

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The convergence of privacy, control, legal certainty and global expertise makes the Channel Islands and their PTC offering especially appealing to Middle Eastern families seeking to structure and preserve their wealth. As these families increasingly look beyond borders to manage their legacies, the PTC and PTF stand out as flexible, culturally sensitive and enduring solutions.

By centralising control while maintaining professional oversight in leading international financial centres, families can ensure their wealth is not only protected but stewarded in a way that reflects their vision for future generations.

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COLLAS CRILL

**For more information please contact:**




### Katie Bonfrer

Group Managing Director | Jersey

**t:** +44 (0) 1534 601669 | **e:** katie.bonfrer@collascrill.com



### Siobhan Crick

Group Commercial Officer | Jersey

**t:** +44 (0) 1534 601738 | **e:** siobhan.crick@collascrill.com



### Greta Pender

Managing Director | Guernsey

**t:** +44 (0) 1481 734806 | **e:** greta.pender@collascrill.com



### Alex Le Prevost

Client Services Director | Guernsey

**t:** +44 (0) 1481 734841 | **e:** alex.leprevost@collascrill.com



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