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Navy Capital

PRIVATE WEALTH · RESEARCH DESK

SPECIAL REPORT · TAX HAVENS & THE ARCHITECTURE OF WEALTH

The Art of *Keeping It*

Tax havens examined without illusion: the zero-tax map from Dubai to Grand Cayman, the legal structures — trusts, foundations, holding companies, insurance wrappers — through which great fortunes minimise tax and persist for generations, the line where planning becomes crime, how money laundering actually works and how the world now hunts it, and what remains of financial secrecy in the most transparent era in history.

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ABOUT THIS REPORT

Making it is half the *story*

Every fortune has two histories: how it was made, and how it was kept. The making gets the biographies; the keeping gets the lawyers — and an infrastructure of jurisdictions, structures and advisers that manages, by serious academic estimate, some **$13 trillion of offshore financial wealth**, more than the GDP of every country on earth bar two. Around it swirls the era's most charged economic debate: billionaires whose measured tax rates undercut their secretaries', islands whose registered companies outnumber their citizens, leak after leak — Panama, Paradise, Pandora — exposing the filing cabinets of the discreet.

This report examines that world without illusion in either direction. Without the populist illusion: most offshore structure is lawful, much of it exists for reasons other than tax (succession, liability, neutrality between co-investors from different countries), and the zero-tax jurisdictions of the brochures are transparent, cooperative places compared with a generation ago. And without the industry's illusion: the system's legal core has long sheltered an illegal penumbra — evasion, laundering, kleptocracy — whose mechanics we describe as the investigators describe them, along with the enforcement machinery (FATCA, CRS, beneficial-ownership registries, the 15% global minimum tax) that has made this the harshest decade in history to hide money. Between those illusions sits what our clients actually need: an honest map of what is legal, what is not, what works, and what it costs.

HOW TO READ THIS REPORT

Part I draws the geography: what a tax haven is, and the zero-tax map. Part II details the legal architecture — how billionaires lawfully minimise tax, the structure toolkit, and residence planning. Part III walks the line: avoidance versus evasion, the anatomy of money laundering as enforcement files describe it, and the transparency crackdown. Part IV measures the system and its enablers. Part V explains how fortunes persist across generations — and the legitimate modern playbook. Part VI closes with the future of havens, risks, and FAQ. Appendices carry the data.

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FROM THE RESEARCH DESK

A letter to our *readers*

Dear reader,

A client once asked us, half-joking, why the rich seem to pay less tax than everyone else and never go to prison for it. The honest answer took an hour, because it contains a distinction on which everything else hangs: the wealthy who thrive do not, by and large, hide money — they *structure* it, using instruments any legislature could read about in its own statutes: trusts older than most countries, holding companies, insurance wrappers, and the simple, legal, devastating arithmetic of never selling an appreciated asset. Meanwhile the ones who actually hide money — the evaders and launderers — are caught more often, and more expensively, than at any time in history. The age of secrecy ended in the 2010s; what remains is the age of structure.

We wrote this report because the subject is drowned in two kinds of nonsense: influencer content selling offshore "secrets" that range from obsolete to indictable, and outrage content that cannot distinguish a Jersey trust from a laundering scheme. Between them sits a fascinating, consequential truth: a $13-trillion offshore system, mostly lawful, deeply networked into every financial centre our previous report mapped, policed by a transparency regime of astonishing recent reach — and still, at its edges, the plumbing of the world's kleptocrats, as the great scandals we dissect make plain.

Read it as we wrote it: to understand how the system actually works, where the law's line actually runs, and what the coming decade — minimum taxes, registries, AI-assisted enforcement — does to both. Data first, candour throughout, and one conviction stated up front: the durable fortunes in our experience are the ones structured in daylight. The art of keeping it, practised well, requires no shadows at all.

With regards,

The Navy Capital Research Desk

Companion volumes — on Gulf sovereign wealth, Dubai real estate, Europe, and global financial cities & IFSCs — are available in the Research Library at navycapital.info.

EXECUTIVE SUMMARY

Ten findings on wealth's *quiet machinery*

~$13tn	~$3.5tn	100+	15%
OFFSHORE FINANCIAL WEALTH (2023 EST.)	OF IT STILL UNTAXED / UNREPORTED	COUNTRIES AUTO-EXCHANGING ACCOUNT DATA (CRS)	GLOBAL MINIMUM CORPORATE TAX, LIVE

1. The offshore system is enormous — and mostly legal. ~$13.25tn of financial wealth sat offshore in 2023 (≈12.5% of world GDP). The transformative finding of the transparency era: the clearly *untaxed* share has shrunk toward ~$3.5tn as automatic exchange bites — secrecy collapsed; structure endured.

2. Zero-income-tax countries are real, legal and few: the UAE, Monaco, Qatar, the Bahamas, Cayman and a handful of peers. Their bargain is explicit — they tax consumption, fees and property instead — and their doors are priced: residency thresholds, investment minimums and living costs that make "zero tax" a product for the already-wealthy.

3. Billionaires pay little tax primarily through arithmetic, not islands: wealth compounds as *unrealised* gains, which almost no country taxes; borrowing against assets funds life tax-free; and death steps up the basis. "Buy, borrow, die" is domestic law, sitting in plain sight — the largest legal tax shelter on earth is simply never selling.

4. The structure toolkit is ancient and adaptable: trusts (separating ownership from benefit for eight centuries), civil-law foundations, layered holding companies, private-placement life insurance, and family offices coordinating it all. Each has legitimate non-tax purposes — succession, liability, privacy, multi-jurisdiction neutrality — which is precisely why none is going away.

5. The line between avoidance and evasion is bright in law, blurred in practice: avoidance uses disclosed structures within the rules; evasion conceals facts from the tax authority. Everything hinges on disclosure — the same trust is lawful reported and criminal hidden. Courts add anti-abuse doctrines (substance, purpose) that police the grey between.

6. Money laundering is a process, not a place — placement, layering, integration — and its modern epics (1MDB's $4.5bn, Danske Estonia's €200bn of suspect flows, the Panama Papers' 214,000 shells) ran through banks and enablers in the world's *onshore* capitals as much as any island. The scandals' common thread: professionals who chose not to ask.

7. The crackdown has been genuinely revolutionary: FATCA (2010) conscripted the world's banks against US evasion; CRS (2017–) made 100+ countries swap account data automatically; beneficial-ownership registries stripped shells of anonymity; FATF grey-lists move national policy; and the 15% global minimum tax (live 2024–26, ~140 countries) ended the zero-rate corporate game. Hiding is now a technology problem — and the state has the better technology.

8. The enablers are the chokepoint: a few thousand law firms, trust companies, bank desks and registered agents intermediate the system. Every scandal traces to them; every reform now targets them — the era's liability has migrated from client to counsel.

9. Dynasties persist by governance, not secrecy: the fortunes that survive three generations share disclosed structures, professional stewardship, insurance-wrapped compounding, philanthropy integrated with succession — and an allergy to cleverness. The graveyard of great fortunes is full of aggressive schemes; the compounders bought index funds inside boring trusts.

10. The decade ahead completes the inversion: minimum taxes spreading from companies toward billionaire wealth (the live G20 debate), registries linking, AI reading the exchanged data — while legitimate zero-tax *residence* (moving yourself, transparently) grows as the last fully legal frontier. The future of the haven is not secrecy but citizenship: not hiding the money, but moving the life. That is the world this report equips you to navigate.

I

PART I · CHAPTERS 1–2

The geography of *zero*

What a tax haven actually is — and the honest map of the world's zero-tax jurisdictions.

What a tax haven *is*

Strip the emotion and a tax haven is a jurisdiction selling three products to non-residents: **low or zero tax** on income, gains or inheritance; **legal vehicles** (companies, trusts, foundations) cheap to form and flexible to run; and — historically the true product — **discretion**: rules limiting what outsiders, including foreign tax authorities, could learn. The modern industry has precise birthdays. Switzerland codified bank secrecy in its **1934 Banking Act**, criminalising disclosure just as Europe's wealthy sought shelter from currency controls and worse. Post-war, the model franchised: Caribbean islands under British legal tutelage (Cayman's first trust law, 1967) built company mills for the Eurodollar age; Channel Islands and Liechtenstein served Europe's fortunes; Panama and Delaware perfected the anonymous shell at industrial scale.

The economics were always rational: for a small island, becoming legal infrastructure for global capital is the highest-value export conceivable — Cayman's ~30,000 funds and 100,000+ companies against 70,000 residents fund a first-world state with no income tax at all. And the demand was never only about tax: capital fleeing unstable currencies, expropriation, litigation and — less nobly — creditors, spouses and prosecutors, all sought the same discretion. The system's moral spectrum has been mixed from birth.

What changed, decisively, is the discretion. The 2008 crisis made offshore evasion politically intolerable; the UBS case (2009) broke Swiss secrecy for Americans; FATCA and then the OECD's Common Reporting Standard converted bank secrecy from a legal wall into a reporting pipeline. Today's "haven" competes on rates, vehicles, courts and liveability — everything except the one product that named the industry. The havens survived the death of secrecy for a simple reason this report keeps returning to: most of what they sell never needed secrecy in the first place.

1934	1967	2009	2017
SWISS SECRECY CODIFIED	CAYMAN'S FIRST TRUSTS LAW	UBS CASE — SECRECY'S TURNING POINT	CRS GOES LIVE — THE PIPELINE ERA

1.2 · The rise and fall of secrecy: a timeline

YEAR	EVENT	MEANING
1869	Monaco abolishes income tax	The original zero-tax residency product
1934	Swiss Banking Act criminalises disclosure	Secrecy becomes statute — the industry's founding charter
1957–60s	Eurodollar market; Caribbean company laws	Offshore finance industrialises under British legal franchises
1989	FATF founded (G7)	Laundering becomes an international policy object
1998–2000	OECD "harmful tax competition" project	First blacklists; havens learn to negotiate
2008–09	Financial crisis; UBS prosecution; LGT leak	Political tolerance ends; Swiss secrecy breaks for Americans
2010	FATCA enacted	The extraterritorial hammer — banks worldwide conscripted
2013–16	Offshore Leaks → Panama Papers	The filing cabinets go public; registry era begins
2017	CRS first exchanges	Automatic, global, annual — secrecy's operational end
2019–22	Substance laws; UAE grey-listing; oligarch seizures	Letterboxes die; enforcement goes geopolitical
2024–26	Pillar Two live; CARF (crypto) adopted; billionaire-tax debate at G20	The floor spreads from companies toward personal wealth

Ninety years from statute to obsolescence — and the arc's lesson for planners is chastening: every device in this table was, at its peak, marketed as permanent. Swiss numbered accounts, bearer shares, anonymous IBCs, the non-dom regime — each a "forever" product now extinct or transformed. The only strategies that crossed every regime change intact were the transparent ones: real residence, disclosed trusts, statutory wrappers. Plan accordingly: the half-life of cleverness in this industry is about fifteen years; the half-life of daylight is, so far, unlimited.

Where income tax *ends*

Roughly a dozen jurisdictions levy no personal income tax at all; a wider ring offers functional equivalents. The honest map, in tiers:

TIER	JURISDICTIONS	THE BARGAIN
The Gulf	UAE, Qatar, Kuwait, Bahrain, Saudi Arabia, Oman	Hydrocarbon states taxing companies & consumption instead; the UAE the global magnet (visas, lifestyle, the DIFC world of our last report)
The islands	Bahamas, Cayman, Bermuda, BVI	No income/CG/inheritance tax; revenue from fees & duties; residence by investment; high living costs
The enclave	Monaco	Zero income tax since 1869 (French citizens excepted); Europe's dense square mile of discretion; entry ≈ €500k+ deposits and scarce property
Territorial-tax ring	Singapore & HK (no CGT, no tax on foreign income*), Panama, Costa Rica…	Tax only local-source income — zero in practice for foreign investors' portfolios
Special-regime Europe	Italy (€200k flat tax), Greece & Malta regimes, Swiss forfait, (UK non-dom, reformed away 2025)	Zero-ish by negotiation — Europe competing for the mobile wealthy without saying so
The exception	The United States	Taxes citizens on worldwide income wherever they live — the reason American wealth planning is a different sport entirely

*Regime details vary and move; Singapore/HK remission rules, UAE corporate tax (9% from 2023) and European regimes all carry conditions. Verify currently with counsel.

2.1 · Reading the map honestly

Three truths the relocation brochures omit. **Zero tax is a pricing strategy, not charity:** these states monetise you through property (Monaco's €50k+/m² floors), consumption taxes, fees and business licensing — total cost of a Monaco or Cayman life frequently exceeds the tax saved for all but substantial fortunes. **Residence must be real:** the era of paper residency is over — home-country rules (183-day tests, centre-of-vital-interests doctrines, exit taxes) and CRS data-matching mean the move must be genuine, documented and usually permanent to survive audit. **The product is broader than tax:** what the UAE and Singapore actually sell — safety, schools, airports, rule of law, proximity to opportunity — explains why they win the migration flows while equally-zero-tax alternatives stagnate. The Chapter 11 hierarchy of our financial-cities report governs here too: lifestyle decides; tax merely shortlists.

2.2 · The famous five, profiled honestly

JURISDICTION	THE REGIME	ENTRY & CATCH
UAE	0% personal income tax; 9% corporate (2023–) with free-zone reliefs; 5% VAT	Golden visas via property (AED 2m+) or salary/investor routes; the world's easiest serious relocation — hence #1 in every migration table. Catch: substance rules, corporate tax's arrival shows rules evolve
Monaco	0% income tax since 1869 (French citizens excepted); no CGT/wealth tax	Residency via ~€500k+ bank deposit and a lease/purchase in the world's costliest property market (€50k+/m²). Catch: the apartment is the tax
Qatar	0% personal income tax; 10% corporate on local business	Residence tied to employment/investment (QFC routes easing); lifestyle narrower than Dubai's. Catch: fewer routes for the unemployed wealthy
Bahamas	No income/CG/inheritance tax; revenue via duties & VAT	Permanent residency via ~$750k+ property investment; proximity to the US. Catch: island costs, hurricane insurance, and US citizens gain nothing (worldwide taxation)
Cayman	No direct taxes at all; government funded by fees	Residency certificates via ~$1.2m+ investment (varies by island); the fund industry's HQ. Catch: small-island living at Manhattan prices

The pattern across all five: **the product is priced at entry** — property floors, deposit minimums and living costs converting "zero tax" into a subscription whose fee rivals mid-six-figure tax bills; **the sustainability question is answered** — all five are CRS participants (the US aside) with substance regimes, having traded secrecy for legitimacy a decade ago; and **the differentiation is lifestyle** — the UAE wins volume on Chapter 5's full package (schools, flights, safety, careers), Monaco wins Europe's old money, Cayman wins the fund professionals, precisely as our financial-cities hierarchy predicts. Zero tax gets a jurisdiction onto the shortlist; everything else on this table decides the choice.

II

PART II · CHAPTERS 3–5

The legal *architecture*

How billionaires lawfully minimise tax — the arithmetic, the structures, and the movable self.

Why the richest legally pay *least*

The scandalised headline — billionaires paying lower effective rates than nurses — is substantially true, and its principal cause is not an island but a definition. Income-tax systems tax *realised income*: salaries, interest, dividends, sales. Great fortunes consist of *unrealised appreciation*: founder stock, portfolios and property compounding untouched. The consequences cascade:

- **Don't earn — own.** The billionaire's salary is famously $1 because salary is the most-taxed dollar in every code. Wealth grows as equity value, taxed nowhere until sold.
- **Don't sell — borrow.** Liquidity comes from loans against the assets (margin lines, bespoke bank facilities at low single digits): loan proceeds are not income, interest may even deduct, and the portfolio keeps compounding. This is the "buy, borrow..." of the famous formula.
- **"...die."** In the US and several systems, death *steps up* the asset basis to market value: the lifetime's gain simply vanishes for income-tax purposes; heirs inherit clean. Estate taxes theoretically apply — and are themselves planned around with the structures of Chapter 4.
- **Time and place the realisations you must make:** loss harvesting against gains; qualified small-business exemptions; opportunity-zone style deferrals; charitable contributions of appreciated stock (deduction at full value, gain never taxed); and, where all else fails, realising in a year — or a residence — where the rate is zero.

The honest assessment: every element above is statutory, disclosed and available in principle to anyone with appreciating assets — which is exactly the policy controversy: the shelter scales with wealth. Legislatures know (billionaire-minimum-tax and unrealised-gains proposals now recur in the US and G20 debates); the arithmetic survives because taxing paper gains is genuinely hard — valuation, liquidity, volatility — and because capital, as Part I mapped, can move. Understand this chapter and you understand most of the phenomenon the outrage genre attributes to islands: the largest tax haven in the world is the concept of realisation itself.

3.2 · Buy, borrow, die — a worked example

Follow one stylised founder through the arithmetic (US-flavoured; analogues exist widely):

STAGE	THE NUMBERS	TAX EVENT?
Build	Founds company; stake grows to $1bn over 20 yrs	None — growth is unrealised appreciation
Live	Borrows $20m/yr against stock at ~3–5%	None — loan proceeds aren't income; spread vs 20–37% tax on equivalent realised income
Optimise	Salary $1; harvests occasional losses; gifts appreciated shares to foundation ($100m: full deduction, gain never taxed)	Minimal — the measured "true tax rate" on wealth growth lands ~1–3%, the figure behind the famous exposés
Die	Estate passes; basis steps up to market	The $900m+ lifetime gain vanishes for income tax; estate tax applies in principle — met by the trusts/insurance of Ch.4 planned decades earlier
Heirs	Sell $100m immediately	≈ zero gain — basis is yesterday's price

Why legislatures haven't closed it, despite knowing all of the above: taxing unrealised gains hits valuation problems (private assets), liquidity problems (tax bills without cash), volatility problems (refunds in crashes?) and constitutional questions (litigated to the US Supreme Court in 2024's *Moore*, which pointedly declined to bless or bar it) — while the borrow leg is ordinary credit and the step-up's repeal keeps dying in committee under farm-and-family-business politics. Reform proposals now circle the edges: minimum taxes on the ultra-wealthy computed *including* unrealised gains (the Biden-era blueprint, the Zucman G20 proposal), interest-deduction limits, and estate-tax tightening. The desk's read: the loop narrows this decade but survives it — and its existence remains the single best explanation of billionaire tax rates that no island, and no crime, is required to produce.

Trusts, foundations & *wrappers*

Around the core arithmetic stands the architecture — instruments centuries old, endlessly adapted:

STRUCTURE	WHAT IT DOES	LEGITIMATE USES / LIMITS
The trust	Splits ownership: settlor gives assets to a trustee to hold for beneficiaries under a deed. The common law's 800-year-old masterpiece	Succession without probate; asset protection; incapacity planning; keeping an operating business whole. Reported (not secret) in the CRS era; tax outcomes depend entirely on residence of parties
The foundation	Civil-law twin: an ownerless legal person pursuing a purpose, run by a council (Liechtenstein, Panama, DIFC, Jersey variants)	Same succession/protection roles for civil-law and Gulf families; the DIFC's +108%/quarter growth (our prior report) is this instrument at work
Holding companies	Layered ownership through favourable jurisdictions (Luxembourg, Netherlands, Singapore) using treaty networks & participation exemptions	Consolidating family enterprises; dividend/CG efficiency between countries; now policed by substance rules, anti-treaty-shopping tests and the 15% floor
PPLI — private-placement life insurance	A portfolio inside an insurance wrapper: growth compounds untaxed, death benefit passes favourably	The quiet giant of modern planning — legal deferral at scale; strict diversification/control rules decide validity
Family investment companies & partnerships	Pooling family capital with control retained via share classes; valuation discounts on transfers	Governance + estate-tax efficiency; the family office's chassis
Charitable structures	Foundations & donor-advised funds: deduction now, control retained, gains untaxed	Philanthropy and dynasty intertwined — Chapter 10's subject

The unifying principle — and the report's most practical sentence: every structure above is a *disclosed contract with the law*, deriving its power from statutes and cases, filed with authorities, and surviving precisely because it needs no concealment. The same instruments held *undisclosed* — the unreported trust, the nominee-shrouded company — are Chapter 6's crime. The toolkit is neutral; the filing decides everything.

4.2 · Anatomy of a trust — the machine examined

Because the trust is both the toolkit's core and its most misunderstood piece, the full anatomy:

- **The cast:** the *settlor* (gives assets away — genuinely: failed "giving" is the classic collapse), the *trustee* (legal owner, fiduciary-bound, often a licensed trust company), *beneficiaries* (entitled per the deed), and usually a *protector* (the family's watchdog with veto powers over the trustee).
- **The documents:** the deed (the constitution), the letter of wishes (non-binding guidance), and — in the CRS era — the reporting files: trusts with financial accounts are reportable, their controlling persons identified. The "secret trust" is a period drama.
- **The choices that matter:** revocable vs irrevocable (control retained = tax benefits mostly lost — the trade-off at the heart of everything); discretionary vs fixed interests (flexibility vs certainty); governing law and forum (Jersey, Cayman, South Dakota, DIFC — chosen for trust-law quality, perpetuity rules and firewall statutes against foreign judgments); and situs of assets vs situs of law (they need not match).
- **What it can genuinely do:** pass wealth without probate across generations; hold an operating business unfragmented; protect against future creditors (if funded while solvent — fraudulent-conveyance law voids the deathbed version); manage incapacity; and, depending entirely on the residences of settlor, trustees and beneficiaries, defer or reduce certain taxes.
- **What it cannot do:** hide (reported), retroactively shelter (transfers are taxed events in most systems), defeat forced-heirship everywhere (civil-law regimes fight back), or survive a settlor who keeps treating the assets as his own — the single most-litigated failure mode, from divorce courts to tax tribunals.

Eight centuries after crusader knights left estates with trusted friends, the instrument endures because the problem endures: humans need ownership to outlive attention, competence and life itself. Everything else — the islands, the acronyms — is implementation detail.

4.3 · The full stack: how a global family enterprise is actually held

Assemble the toolkit and a representative (stylised) architecture for a $500m multi-country family enterprise reads:

LAYER	VEHICLE	WHY
Apex	Discretionary trust (Jersey/DIFC/South Dakota) or foundation; protector committee of family + advisers	Succession, continuity, creditor firewall; the "who inherits" question answered once, revisably
Holding	Master holdco (Luxembourg/Singapore/Netherlands)	Consolidation; participation exemptions on subsidiary dividends/sales; treaty network; bankability
Operating	National opcos in each trading country	Taxed normally where they operate — the layer the outrage genre forgets exists and pays most of the actual tax
Investment	Fund vehicles (Cayman/Lux/GIFT per strategy — our Capitals report's map); PPLI wrapper for the liquid portfolio	Co-investment neutrality; deferral where lawful
Property & toys	Direct or single-purpose companies, increasingly onshore	Registries and enveloped-dwelling taxes made offshore property shells expensive theatre
Purpose	Charitable foundation / DAF alongside	Philanthropy, education of heirs, appreciated-asset efficiency
Coordination	Family office (SG/DIFC/home) + institutional trustee + audited consolidated reporting	Governance — the layer that actually determines survival

Three honest annotations. Every box above is disclosed to relevant authorities — the stack's power is organisation, not opacity. The tax result is efficiency, not zero: operating profits are taxed at source, the minimum-tax floor now backstops the holdco layer, and what planning legitimately delivers is the elimination of *double* taxation and *premature* taxation, not taxation itself. And the stack must earn its complexity: below roughly $25–50m, most of it is expensive cosplay — the honest adviser's frequent counsel, per Chapter 11, is fewer boxes, better filled.

Residence & citizenship *planning*

When structures reached their limits, the wealthy discovered the ultimate one: since most countries tax by *residence*, the fully legal way to change your tax life is to change your life. The migration industry this built:

— **Golden visas & investor residence:** UAE (property/deposit routes), Singapore's GIP, Caribbean citizenship-by-investment ($100–200k donations), Malta and the shrinking EU set (Portugal/Spain/Ireland closed or curtailed theirs under EU pressure) — a spectrum from genuine relocation platforms to passport retail, with the EU's assault on the latter accelerating.

— **The regime shoppers' circuit:** Italy's €200k flat tax on foreign income (the non-dom successor of choice), Greece's and Malta's equivalents, Switzerland's negotiated forfait — Europe quietly rebuilding what it publicly abolished when Britain ended the 225-year-old non-dom regime in 2025 (and watched a millionaire exodus toward Milan and Dubai that its rivals' regimes were built to catch).

— **The exit toll:** serious countries defend the base — US expatriation tax (deemed sale of everything above thresholds, plus the unique burden that only renouncing *citizenship* ends US taxation), Canadian departure tax, German/French/Nordic exit charges on corporate stakes. The move's price is often one final, large, unavoidable realisation.

— **The residence tests that decide it all:** 183-day counts are merely the floor; centre-of-vital-interests, family-home and habitual-abode doctrines mean the family, the house and the school run must genuinely move. Tax authorities now litigate lifestyles — diaries, flight logs, gym memberships — and win.

The desk's framing: residence planning is the one great strategy the transparency era left fully intact — states may exchange every account balance, but they cannot (yet) tax the citizen who has lawfully, actually left. Hence the flows our companion reports document: the UAE atop every millionaire-migration table, Monaco's waiting lists, Singapore's family-office boom. Done honestly it is unassailable; done as paper theatre it is Chapter 6's evasion with better scenery. The difference, as ever, is whether the facts are real.

183	€200k	2025	#1
DAYS — THE FLOOR, NEVER THE TEST	ITALY'S FLAT-TAX TICKET	UK NON-DOM REGIME ABOLISHED	UAE — TOP WEALTH-MIGRATION MAGNET

5.2 · The relocation decision, made properly

The desk's framework for the "should we move?" conversation — in the order the factors actually decide:

- **1 · The exit price:** compute the departure tax, deemed disposals and trailing rules (US citizens: the full renunciation analysis) *first* — many "obvious" moves die here, and several European regimes claw taxing rights for 5–10 years after departure.
- **2 · The family test:** schools, spouse's career, ageing parents, adult children's residences — the factors that actually repatriate people two expensive years later. A move the family resents fails financially too.
- **3 · The regime fit:** match income type to regime — Italy's flat tax suits foreign-income rentiers; the UAE suits earners and founders; Monaco suits the already-liquid; territorial systems suit portfolio wealth. The best regime for your neighbour may be wrong for your balance sheet.
- **4 · The substance budget:** days genuinely available to spend there, the home you'll actually inhabit, the documented severing of old ties (clubs, boards, the house kept "just in case" that loses cases). Audit-proofing is a lifestyle, not a file.
- **5 · The decade view:** regime stability (the UK non-dom's fate warns against building lives on political products), succession law (forced heirship, community property), and the exit-from-the-exit — how you'd unwind if the jurisdiction, or the family, changes its mind.

The pattern in successful moves our clients model: decided slowly, executed totally, documented obsessively — and chosen for the life first (the school run again), with tax as the funding mechanism rather than the reason. The pattern in failed ones: December decisions, January regrets, paper residences — and the audit letter that begins, as they now do, with the authority already holding the CRS file and the flight logs. Move whole, or don't move.

1st	5–10 yr	Whole	Life
COMPUTE THE EXIT TOLL BEFORE DREAMING	TRAILING-TAX TAILS IN SEVERAL STATES	THE ONLY WAY TO MOVE	THE REASON; TAX MERELY FUNDS IT

III

PART III · CHAPTERS 6–8

The line — and *beyond it*

Where planning becomes crime, how dirty money actually moves, and the machinery now hunting it.

Where the law draws the *line*

The distinction every headline blurs is, at core, simple. **Avoidance** is arranging affairs, with full disclosure, so the law taxes less — the trust filed, the residence genuinely moved, the gain lawfully unrealised. Judges have blessed the principle for a century: nobody owes a duty to arrange affairs to maximise their tax. **Evasion** is deceiving the authority about the facts — the unreported account, the hidden beneficial owner, the false residence, the fabricated invoice. One is a chess game with the legislature; the other is fraud, punished with prison in every jurisdiction in this report.

Between them lies the contested middle where sophistication goes to die, policed by three expanding doctrines. **Substance over form:** courts ignore arrangements that are real only on paper — the "management company" with no managers, the treaty-resident holdco with no office. **General anti-avoidance rules (GAARs):** statutes (UK, Canada, India, the EU directive) letting authorities strike down schemes whose main purpose is the tax benefit, even if each step was technically legal. **Economic-substance and disclosure regimes:** mandatory reporting of aggressive schemes (DAC6 in Europe), promoter penalties, and the island substance laws that ended the letterbox era. The practical consequence our clients live with: the aggressive-scheme industry of the 2000s — mass-marketed shelters, circular film partnerships, contractor loan schemes — has been substantially annihilated in courtrooms, with participants paying tax, penalties and sometimes worse decades later.

The desk's compressed counsel: the test that has never failed us is the sunlight test — a structure one would be comfortable explaining, in full, to the tax authority (which, post-CRS, is already reading the account data) is planning; a structure that depends on their not finding out is a crime with a waiting period. Everything else in Part III describes what happens on the wrong side.

Disclosure	GAAR	DAC6	Prison
THE LINE, IN ONE WORD	THE SCHEME-KILLER STATUTES	ADVISERS MUST REPORT SCHEMES	EVASION'S PRICE, EVERY JURISDICTION

The anatomy of *laundering*

Money laundering — making criminal proceeds appear legitimate — is the offshore system's shadow twin, and understanding its mechanics (as every banker now must, by law) explains both the great scandals and the compliance burden every legitimate client bears. The canonical three stages, per FATF's public typologies:

Placement — moving raw proceeds into the financial system: structured cash deposits, cash-intensive businesses, casinos, trade misinvoicing. The most exposed stage, hence the war on cash thresholds and the reporting of everything. **Layering** — obscuring the trail once inside: rapid transfers across jurisdictions and shells, mispriced trades, back-to-back loans, assets bought and resold. This is where the anonymous-company era made islands infamous — and where beneficial-ownership registries now aim. **Integration** — the cleaned money surfacing as apparently legitimate wealth: the London townhouse, the yacht, the gallery-grade art, the venture stake. Hence the luxury-asset registers, cash-purchase rules, and the unexplained-wealth orders now reversing burdens of proof.

Why it increasingly fails is the modern story: every stage now crosses tripwires built in the last fifteen years — KYC and beneficial-ownership files at onboarding, transaction-monitoring algorithms, suspicious-activity reports feeding financial-intelligence units, CRS data-matching residence claims against account files, and cross-border subpoena architecture that turned "offshore" from a wall into a delay. The remaining volume flows through the hardest problems: trade-based laundering inside genuine commerce, professional-enabler complicity, crypto's mixing layer (itself now heavily surveilled on-chain), and jurisdictions that choose not to look — which is what FATF's grey and black lists exist to price.

This chapter describes mechanics at the level of public FATF typologies and court records for understanding and compliance; the techniques are crimes, the tripwires are real, and — as the next page's case files show — the modern conviction rate among the prominent is the point.

7.2 · The case files: what the great scandals actually taught

AFFAIR	SCALE	THE MECHANISM — AND THE LESSON
Panama Papers (2016)	11.5m files · 214,000 shells	One law firm's archive exposed the anonymous-shell industry; toppled ministers, triggered the registry era. Lesson: the enabler's filing cabinet is the system's single point of failure
1MDB (2015–)	~$4.5bn diverted	Sovereign-fund theft laundered through major banks, shells, art and film; a marquee bank paid multi-billion penalties. Lesson: kleptocracy shops onshore — the money wanted Manhattan, not Malé
Danske Estonia (2018)	€200bn suspect non-resident flows	A single Baltic branch as the East's laundromat; executives charged, bank near-broken. Lesson: correspondent banking is the choke the launderers need and regulators now squeeze
UBS / Swiss cases (2009–)	$780m penalty; secrecy's end	Bankers marketing concealment to Americans; FATCA was the legislative revenge. Lesson: entire national business models can be repriced by one prosecution
Pandora / Paradise Papers (2017–21)	Millions of files, dozens of leaders	Confirmed the migration upmarket: less crude evasion, more lawful-but-embarrassing structure. Lesson: reputational transparency now polices what law permits
The oligarch seizures (2022–)	Yachts, villas, reserves frozen worldwide	Sanctions enforcement as the new frontier — ownership research weaponised at state scale. Lesson: opacity's last customers made transparency a security issue

Read as a series, the files chart the system's forced evolution: from secrecy sold openly (UBS), through anonymity at scale (Panama), to today's regime where the residual crime concentrates in complicit institutions and untransparent corners — each scandal financing the next round of rules, each leak proving that in a digital system *everything is eventually a dataset*. For legitimate wealth the takeaway is not comfort but consequence: the compliance apparatus built to catch the six rows above is the same one auditing every honest structure — the innocent now pay the diligence costs of the guilty, permanently.

The transparency *machine*

The apparatus assembled since 2010 constitutes the largest peacetime expansion of financial surveillance ever attempted — worth itemising, because it defines what remains possible:

INSTRUMENT	SINCE	WHAT IT DID
FATCA (US)	2010	Conscripted every bank on earth to report American clients or face 30% withholding — the proof that one treasury could break secrecy unilaterally
CRS (OECD)	2017	FATCA globalised: 100+ jurisdictions auto-exchange account balances, income and ownership yearly — including every haven in Chapter 2
Beneficial-ownership registries	2016–	Shells must name their humans; UK/EU registers (publicity contested in courts), US Corporate Transparency Act's saga — the anonymity era's legal end
FATF lists	Ongoing	Grey-listing as market discipline: the UAE's 2022–24 passage through the list, and its reform response, showed the leverage
Economic-substance laws	2019	EU-pressured island statutes requiring real activity — the letterbox's death certificate
Pillar Two minimum tax	2024–26	15% floor for large multinationals across ~140 countries (US side-by-side carve-out, 2026, the great caveat) — the corporate zero-rate game's end
The frontier	Live debate	G20/Zucman billionaire-minimum proposals, unexplained-wealth orders, AI on the CRS datasets, crypto reporting (CARF) from 2026–27

The scoreboard, honestly kept: the machine works — the EU Tax Observatory's central finding is that offshore *evasion* collapsed by roughly two-thirds where automatic exchange applies, with the untaxed share of offshore wealth down toward ~$3.5tn of ~$13tn. And its limits are equally documented: real estate, art and some trusts sit partially outside CRS; the US's non-adoption of CRS makes America itself the era's paradoxical secrecy venue; enforcement capacity lags data volume; and the minimum tax's 2026 carve-outs show great-power politics still bends the architecture. The trend, though, has one direction — which is why every serious adviser now plans as if all facts will eventually be known. Because they will.

8.2 · What the machine actually sees: CRS mechanics

Demystifying the pipeline that ended secrecy — what is reported, by whom, to whom:

- **Who reports:** banks, brokers, custodians, most investment funds and certain insurance wrappers ("financial institutions") in every participating jurisdiction — including all of Chapter 2's havens.
- **What flows annually:** account holder identity and tax residence(s), account numbers, year-end balances, and the year's interest, dividends and gross proceeds — for individuals and for the *controlling persons* of passive entities: the look-through that made "hold it in a company" obsolete as concealment.
- **Where it goes:** to the account holder's declared residence country's tax authority, automatically, machine-readable — where matching engines compare it with filed returns and residence claims. The mismatch letter industry is now global.
- **The known gaps, honestly listed:** the US (FATCA takes, CRS doesn't give — the era's structural irony); direct real estate, art, gold in vaults (registries and cash rules attack from other angles); some trust configurations at the margins; and crypto — closing now, as CARF's exchange regime goes live 2026–27 across 60+ early adopters.
- **The direction:** each gap has a program aimed at it (property registries linking, CARF, trust-transparency consultations), and the analytical layer — AI across years of pooled data — converts raw exchange into detection at scale. The system's second decade is about using what the first decade collected.

For the legitimately structured, the mechanics are almost liberating: the data already flows, so the honest file simply matches it — compliance as reconciliation. For the concealed, every year adds another matched dataset to the record. The machine's real product is not revenue; it is the slow, total repricing of the risk of lying.

IV

PART IV · CHAPTER 9

The *system*

Thirteen trillion dollars, and the professionals who run it.

$13 trillion and its *servants*

The measurements, per the academic ledger (Zucman and the EU Tax Observatory's tradition of triangulating anomalies in international banking statistics): offshore financial wealth ≈ **$13.25tn in 2023 — about 12.5% of world GDP** — up in absolute terms for decades yet transformed in character: the estimated untaxed/unreported share, once the majority, is now ~$3.5tn (≈3.2% of GDP), the transparency machine's measurable victory. Distribution is extremely top-heavy: offshore holdings are overwhelmingly a top-0.1% phenomenon — the group whose untaxed wealth, on 2026 Observatory work, exceeds the assets of the world's poorest half — which is why the subject carries the politics it does. Geography of custody: Switzerland still books the largest single share of cross-border private wealth, with Hong Kong, Singapore, the Channel Islands, Luxembourg and the US (Miami/New York/Delaware — the CRS holdout's harvest) close behind: the money sits, as ever, in the great centres of our previous report, merely *domiciled* via the islands.

The enablers are the system's true infrastructure: a surprisingly small professional class — offshore "magic circle" law firms, the trust-and-corporate-service industry (institutional-scale providers administering millions of entities), private-bank desks, the Big Four's structuring practices, registered agents by the thousand. Every capability in this report is manufactured here; so was every scandal in Chapter 7 — which is why the regulatory era's sharpest turn is *liability migration*: adviser-disclosure regimes (DAC6), promoter penalties, AML duties on lawyers and agents, prosecutions of the professionals themselves. The industry's response — consolidation, compliance armies, client-selectivity that would have amazed the 1990s — has made reputable provision an oligopoly of the auditable. For clients the practical read: the quality of your enablers is now your risk profile; the era punishes cut-price structuring more reliably than it ever punished expensive candour.

$13.25tn	~12.5%	~⅔	Top 0.1%
OFFSHORE WEALTH, 2023 EST.	OF WORLD GDP	FALL IN EVASION WHERE CRS APPLIES	WHERE OFFSHORE WEALTH CONCENTRATES

9.2 · The corporate mirror: profit shifting and the 15% floor

Personal wealth's offshore system has a corporate twin whose reform sets precedents for everything in this report. **The classic game:** multinationals located *profits* — not factories — in low-tax jurisdictions via intellectual-property migration (the patent in Bermuda), intra-group debt (deductions onshore, interest received offshore) and structures whose nicknames entered folklore (the "Double Irish with a Dutch Sandwich" routing hundreds of billions through Dublin and Amsterdam to island nil-rates). At peak, estimates put ~35–40% of multinational foreign profits in havens — a Zucman-school figure that made corporate tax the OECD's decade-defining project.

The reform arc mirrors the personal one: BEPS (2015) closed the crudest devices and killed the Double Irish (grandfathered to 2020); country-by-country reporting gave authorities the map; and **Pillar Two** (live 2024–26, ~140 countries, €750m+ revenue groups) imposed the 15% floor — with qualified domestic top-ups meaning the *haven itself* now often collects (Ireland, Bermuda and the UAE all introducing profits taxes precisely to keep revenue home). **The caveats keep it interesting:** the US 2026 "side-by-side" carve-out exempts American groups from key mechanisms — the great power writing its own annexe, as ever — while incentives migrate from rate competition to credits and grants (the subsidy race replacing the rate race). The lesson this chapter lends the personal-wealth story: floors, once conceded in principle, spread — the G20's billionaire-minimum debate is Pillar Two's logic walking upstream from companies to their owners, and the 2030s will be about how far it climbs.

~40%	2020	15%	Upstream
PEAK SHARE OF MNC FOREIGN PROFITS IN HAVENS	THE DOUBLE IRISH'S DEATH DATE	THE FLOOR, ~140 COUNTRIES	WHERE THE FLOOR LOGIC WALKS NEXT

V

PART V · CHAPTERS 10–11

Staying *wealthy*

How fortunes survive generations — and the legitimate playbook for the transparent era.

How fortunes survive *generations*

"Shirtsleeves to shirtsleeves in three generations" is a proverb in every language for a reason: most fortunes die of division, taxation and heirs — not markets. The families that beat the proverb run a recognisable system:

- **Structure before the event.** Dynasty (perpetual) trusts, family holding companies and foundations established while assets are cheap and founders alive — moving future *growth* out of taxable estates decades early (the technique behind every great American and European dynasty's longevity; freezes and instalment transfers doing quietly what headlines imagine islands do).
- **Compound inside wrappers.** Insurance structures (PPLI), pension-like vehicles and the trusts themselves let portfolios grow with deferred or eliminated drag — the boring arithmetic (1–2% annual tax drag avoided ≈ double the wealth over 35 years) that outperforms every clever scheme ever sold.
- **Govern like an institution:** family constitutions, boards with outsiders, next-generation education, distribution policies that fund lives without dissolving the principal — the family office (Singapore's 2,000, the DIFC's boom) as the professional chassis.
- **Philanthropy as keel:** foundations and donor-advised structures binding heirs to purpose, training them in stewardship, buying social licence — and, incidentally, sheltering appreciated assets more efficiently than any island (the deduction-plus-untaxed-gain arithmetic of Chapter 3, at dynastic scale).
- **The negative rules, learned expensively:** no concealment (every hidden structure is a time-bomb an heir eventually detonates); no leverage that can force sales in crises; no scheme requiring continued cleverness to survive; and no jurisdiction chosen that the family wouldn't visit — Chapter 11's lifestyle law again, applied to paperwork.

The pattern's summary offends both the outrage genre and the secrecy salesmen equally: the fortunes that persist are the *most* documented, the most governed, the most boringly structured — daylight compounding, patiently defended. Secrecy, it turns out, was always for the money that couldn't afford scrutiny; the money that could simply bought better lawyers and slept.

10.2 · Case studies: three ways fortunes crossed the generations

The trust dynasty (the Rockefeller pattern). The founding fortune moved into generation-skipping trusts a century ago; today's seventh generation numbers 250+ members funded by structures whose principal none of them can raid — professional trustees, a family office older than most banks, and philanthropy (the university, the foundations) absorbing both surplus and ambition. The design insight: the founder's real bequest was *governance* — the money merely rode inside it.

The holding dynasty (the Walton/Wallenberg pattern). Concentrated operating stakes held through family holding companies and foundations — Walton Enterprises' partnership consolidating Walmart control; the Wallenbergs' foundations owning Investor AB for five generations (our Europe report's protagonist) — with estate transitions engineered early (Sam Walton famously gifted stakes to his children in 1953, before the wealth existed to tax) and dividends funding both family and, in the Swedish case, national science. The design insight: transfer the *growth*, decades before it happens.

The failure pattern (the Vanderbilt lesson). The Gilded Age's greatest fortune — gone within three generations: no structures, competitive mansion-building, fragmenting inheritances, and heirs trained to spend rather than steward; "the fool who inherits" was coined at their table. Within fifty years of the Commodore's death, a family reunion reportedly included no millionaires. The design insight, by negation: unstructured wealth is a countdown — division, taxation and lifestyle compound against it precisely as relentlessly as markets compound for it.

Three patterns, one constant: none relied on secrecy, all relied on *early*, *disclosed*, *professionally-governed structure* — and the sole dynasty-killer no structure has ever beaten remains the one inside the house. Hence the modern family office's real curriculum: heirs first, portfolios second.

Keeping it, in *daylight*

Distilled from everything above — the transparent era's actual best practice, in the order serious advisers build it:

LAYER	THE MOVE	THE RULE THAT GOVERNS IT
1 · Realisation management	Own appreciating assets; harvest losses; time gains; borrow judiciously against rather than sell	Chapter 3's arithmetic — domestic law, no islands required
2 · Wrappers & allowances	Max every statutory shelter first (pensions, ISAs/401k-class, PPLI where suitable)	The boring 80% of most families' optimal answer
3 · Succession structure	Trusts/foundations/FIC sized to the family, established early, fully reported	Chapter 4's toolkit; the sunlight test
4 · Jurisdiction — of things	Domicile funds & companies where law and treaties genuinely serve the strategy	Substance real, purpose documentable (Ch.6's doctrines)
5 · Jurisdiction — of self	If, and only if, the life genuinely moves: the zero-tax residence, executed completely	Chapter 5 — the last fully-legal frontier, all-or-nothing
6 · The standing audit	Three-yearly structure review; enabler quality over enabler price; assume full future visibility	Chapter 8's machine — plan as if all facts will be known

And the ethics, addressed plainly because clients increasingly ask: the legitimacy debate is real — legal avoidance at scale shifts burdens onto the less mobile, which is precisely why democracies keep rewriting the rules (minimum taxes, regime closures, the billionaire-tax debate), and why this report's forecasting chapters treat political risk as a pricing input, not an insult. Our position is the practitioner's, not the philosopher's: obey the law as it is, structure nothing you'd be ashamed to explain, expect the rules to tighten in transparency's direction — and recognise that paying some tax, predictably, in a stable jurisdiction whose courts protect you, is not a planning failure. It is what the protection costs, and it remains the best bargain in wealth.

11.2 · The schemes that end badly: a field-spotter's guide

The wealth-planning market's dark matter is the perennial scheme industry — repackaged each cycle, reliably ruinous. The warning signs, from decades of tribunal records:

- **"Secret" as a selling point.** Any pitch whose value depends on authorities not finding out is selling you a crime with an invoice. Post-CRS, it is also selling you a crime that will be found out.
- **Complexity without commerce:** circular flows, back-to-back loans returning your own money as "untaxed" proceeds, entities with no purpose an auditor could state aloud — the GAAR's exact diet.
- **Too-good arithmetic:** deductions exceeding outlays, "guaranteed" tax-free yields, schemes marketed with counsel's opinion attached (the opinion protects the promoter, rarely you).
- **Jurisdiction shopping downward:** structures that only work in places you'd never litigate — if the plan's survival depends on a court you wouldn't trust with your watch, it already failed.
- **The promoter's economics:** fees contingent on "tax saved", mass-marketed templates, pressure around fiscal year-ends — the sales pattern of every scheme later litigated by the thousand (film partnerships, contractor loans, EBT variants: each left mid-income participants with life-altering back-taxes while promoters kept the fees).
- **The crypto reprise:** the same genre now wears digital clothes — "untraceable" wallets (chain analysis reads them), offshore exchanges (CARF reports them), DeFi "loopholes" (guidance closes them retroactively). New rails, old grift.

The countermeasure is procedural, not clever: independent second opinions on anything novel; advisers paid for time, not for savings; the sunlight test applied before signature; and the standing rule that has never cost a client money — *if the scheme's explanation requires lowering your voice, decline it*. The entire legitimate playbook of this report fits in normal speaking volume.

VI

PART VI · CHAPTER 12

The *prospectus*

The future of havens, the risk register, and the questions clients actually ask.

The future of the *haven*

Five calls to 2035

— **The haven completes its metamorphosis into the hub.** The winners (UAE, Singapore, the IFSC class of our last report) sell residence, courts and lifestyle in full transparency; the losers keep selling opacity to a shrinking, increasingly criminal clientele. "Tax haven" as a category dissolves into "low-tax financial centre" — same beaches, different business model.

— **Taxation follows wealth upstream.** The realisation loophole is the decade's battleground: expect spreading exit taxes, minimum taxes on large fortunes in some G20 states, unrealised-gains experiments — and fierce mobility responses making Chapter 5's residence planning the defining game of the 2030s.

— **The data war is won by the state, the interpretation war stays open:** AI on CRS/registry datasets makes concealment effectively obsolete by decade's end; disputes migrate from "what exists" to "what it means" — valuation, residence facts, substance — richening tax litigation as a profession.

— **The US anomaly persists and grows:** non-CRS America plus the 2026 Pillar Two carve-out entrench the world's largest economy as its most under-examined booking centre — an irony (and a flow) too politically stable to bet against this decade.

— **Compliance becomes the moat:** for jurisdictions and families alike, auditable cleanliness — once a cost — becomes the premium product: white-listed centres, blue-chip enablers and daylight structures commanding better banking, better pricing, better sleep. The arbitrage of the 2030s is trust itself.

The risk register

1 · Regime velocity: rules now change faster than structures amortise — the three-year review is a minimum. **2 · Retroactivity:** desperate treasuries reach backward (amnesty-then-prosecution cycles, lookback taxes); assume today's disclosure standards applied to yesterday's decisions. **3 · Political rupture:** wealth-tax populism and haven-blacklisting can reprice a jurisdiction overnight. **4 · The enabler failure:** your weakest adviser is your true exposure. **5 · Family risk:** the leading cause of fortune death remains, stubbornly, the family itself — no jurisdiction fixes governance.

> *"The money that lasts pays three tolls without complaint: some tax, good lawyers, and total honesty with both. Everything cheaper eventually costs more."*

READER FAQ

The questions clients ask the desk

Is it actually legal to pay zero income tax?

Yes — by genuinely residing where none is levied (Chapter 2's map), subject to your citizenship's rules (Americans excepted, absent renunciation) and your former home's exit provisions. It is the *pretending* to reside that is illegal. The move is all-or-nothing: the life, not the letterbox.

Do offshore accounts still make sense for privacy?

From authorities: no — CRS reports them automatically, and that is now the point of holding them cleanly. From commercial counterparties, litigants and instability: yes, lawful confidentiality survives and jurisdiction diversification remains prudent. Privacy from the taxman is dead; privacy from everyone else is a legitimate, ordinary service.

What actually happens to people who hide money now?

Data-matching flags them (CRS vs declared residence), voluntary-disclosure windows close, and the sequence runs assessments-penalties-prosecution — with advisers increasingly charged alongside. The detected rate a generation ago was negligible; today concealment is a bet against a machine that never stops improving, taken mostly by people who haven't read Chapter 8.

Are trusts just tax dodges?

Mostly no — the majority exist for succession, incapacity, liability and keeping businesses whole; their tax treatment ranges from neutral to punitive depending on the countries involved. The instrument is eight centuries of solved problems; the reputation is fifty years of its misuse by a minority. Judge the filing, not the form.

If I remember one thing from this report?

That the wealthy who endure don't hide — they structure, disclose, and if necessary move, all within rules they expect to tighten. The entire dark side — evasion, laundering, secrecy — is a shrinking, increasingly detected legacy business whose remaining customers are exactly whom you'd expect. Keep it in daylight; daylight is winning.

Legal	Dead	Alive	Daylight
ZERO TAX VIA GENUINE RESIDENCE	PRIVACY FROM TAX AUTHORITIES	LAWFUL PRIVACY FROM EVERYONE ELSE	THE ONE-WORD STRATEGY

APPENDIX A · MASTER DATA TABLE

The offshore world at a glance, 2025–26

INDICATOR	VALUE	NOTE
Offshore financial wealth	~$13.25tn (2023)	≈12.5% of world GDP; EU Tax Observatory tradition
Untaxed/unreported share	~$3.5tn	Down ~⅔ where CRS applies — the crackdown's scoreboard
Zero-income-tax states	~12 (UAE, Monaco, Qatar, Bahamas, Cayman...)	+ territorial & flat-tax regimes ring
CRS network	100+ jurisdictions auto-exchanging	US the great non-participant
Pillar Two	15% floor, ~140 countries, live 2024–26	US side-by-side carve-out (2026); GIR filings from June 2026
Cayman registry	~30,000 funds; >50% of US hedge-fund net assets	Domicile capital (see Capitals of Capital report)
Scandal ledger	1MDB ~$4.5bn · Danske €200bn flows · Panama 214k shells	Chapter 7's case files
Swiss cross-border wealth	Still the #1 single booking centre	HK, SG, Luxembourg, US close the set
Wealth migration	UAE #1 destination, multi-year	The residence era's flow map
Untaxed top-0.1% wealth	> assets of world's poorest half (2026 est.)	The politics, quantified

Appendix B · Glossary

Avoidance / evasion	Lawful structuring, fully disclosed / criminal concealment of facts from authorities.
Trust · foundation	Common-law split of ownership from benefit / civil-law ownerless entity — the toolkit's twin pillars.
Beneficial owner	The human ultimately owning or controlling an entity — the registry era's target datum.
Buy-borrow-die	Compounding unrealised gains, borrowing for liquidity, basis step-up at death — the realisation shelter.
PPLI	Private-placement life insurance — portfolio compounding inside an insurance wrapper.
FATCA / CRS / CARF	US, OECD and crypto automatic information-exchange regimes.
GAAR / substance rules	Anti-abuse doctrines striking schemes with no purpose but tax / requiring real activity where entities sit.
Placement–layering–integration	FATF's three stages of money laundering.
FATF grey list	The intergovernmental watchdog's monitoring list — market-moving for any listed jurisdiction.
Pillar Two / QDMTT	The 15% global minimum corporate tax and its domestic top-up variant.
Exit tax	Deemed-realisation charge on emigrating taxpayers — the border's toll.

Sources: EU Tax Observatory / Zucman et al.; OECD (CRS, Pillar Two documentation); FATF public typologies; ICIJ investigations; court records and financial press through early 2026. Estimates vary by methodology; figures rounded. General commentary only — not legal or tax advice, and no part of this report should be used to evade tax or launder funds. · hello@navycapital.info · navycapital.info

The Navy Capital jurisdiction matrix

JURISDICTION	PERSONAL TAX	TRANSPARENCY	BEST LEGITIMATE USE	WATCH-ITEM
UAE	0% income	CRS · post-grey-list reformer	Full relocation; business base; IFSC structures	Rule evolution (9% CT arrived; more will)
Monaco	0% income	CRS	European residence for the liquid	Entry costs are the tax
Qatar · Bahrain · Kuwait	0% income	CRS	Employment-linked Gulf residence	Narrower routes than UAE
Bahamas · Cayman · Bermuda · BVI	0% direct	CRS · registries · substance laws	Fund domicile (Cayman); residence for the sea-minded	EU listing politics; costs
Switzerland	Normal + forfait option	CRS (secrecy ended)	Custody quality; the booking centre	Forfait politics, canton by canton
Singapore · HK	Low, territorial	CRS · strong regulators	The Asia platform (funds, family offices)	Costs; regime tightening at the edges
Luxembourg · Ireland	Normal personal; corporate platform	Full EU transparency	Fund & holding structures with substance	Pillar Two economics; EU law drift
Italy · Greece · Malta regimes	Flat-tax tickets	EU standard	European residence for foreign-income wealth	Regime longevity (the non-dom warning)
United States	Worldwide for citizens	FATCA out, no CRS in	Onshore trusts (SD/NV) for non-US families	The anomaly's political shelf-life
GIFT City & IFSC class	Zone holidays	Modern, regulated	The India door; zone structures (see Capitals report)	Youth of regimes

Synthesis of Chapters 2, 5 and 8; regimes summarised radically — every cell carries conditions, and citizenship (especially US) changes everything. Verify currently with counsel before acting.

> *"Choose the jurisdiction you would still want if it taxed you a little — because one day, it will."*

N

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