

# Cayman Islands Trust Services

# Cayman Islands trust structures

**As (ultra) high net worth ((U)HNW) individuals, family offices and corporations navigate the uncertainty and complexity of the evolving private wealth landscape, many are looking to establish trusts in a jurisdiction that will allow them to safeguard their assets, provide tax efficiencies and prepare for the future.**

**For decades, the Cayman Islands has maintained its position as a premier trust jurisdiction. Its sophisticated trust structure, robust legal framework, economic and political stability and neutral tax environment make it a top choice for private client and commercial trusts.**

Cayman Islands trusts can be tailored to meet the specific needs and objectives of individuals and companies, making them a powerful and attractive wealth management solution. At a high level, these trusts structures include:

## **Private client trusts**

Cayman Islands private client trusts are a primary focus of individuals and family offices. These structures are discretionary, non-discretionary or purpose trusts and, under Cayman Islands legislation, have wide flexibility to structure in a manner that meets the settlor's requirements. Some common uses for private client trusts include:

- Succession and estate planning
- Asset protection
- Mitigating tax liabilities
- Protecting beneficiaries who are unable to manage their wealth
- Managing forced heirship rules
- Philanthropic giving
- Holding shares in a family company

## **Commercial trusts**

Cayman Islands commercial trusts are used in fund structuring as the fund vehicle, as well as the holding vehicle for the fund itself (share trustee/STAR trusts). Commercial trusts are also established as employee benefit trusts/profit sharing for several fund managers and joint venture endeavors. These trusts are useful structures to liquidate assets and/or to hold contentious assets until court resolution. Additionally, commercial trusts can be used for:

- Pooled investment funds
- Employee share options, executive incentive and pension schemes
- Asset securitization
- Debenture trusts
- Orphaning entities (e.g. share trusts)



# Key characteristics

Not all jurisdictions' trusts are created equal. The Cayman Islands is well-known for providing a host of advantageous opportunities for the formation and management of commercial and private trusts. Some of the most notable include:

## **Tax efficiency**

The Cayman Islands' fiscal neutrality makes it a popular choice for institutional and private clients who wish to structure entities in a stable and mature common law jurisdiction. Its neutral tax regime is one of the most compelling reasons for establishing and maintaining a trust within the jurisdiction. There are generally no gift, estate, income or capital taxes for individuals or companies. And, in exchange for registration, Cayman Islands trusts are exempt and receive a tax-free guarantee for up to 50 years. This guarantee is also typically renewed after the 50 year period, providing an added layer of financial security.

## **Asset protection and privacy**

Asset protection varies from jurisdiction to jurisdiction. Trust structures in the Cayman Islands enjoy a high level of security. For the most part, assets are shielded from potential creditors, litigation and other financial risks. With stringent confidentiality laws, identities of beneficiaries and details of the trust remain private, providing a level of discretion that's not always available in other jurisdictions.

## **Respected legal and regulatory frameworks**

Trust legislation has been in place in the Cayman Islands for over 55 years. Established directly from UK law, the legislation has evolved as a useful framework for both commercial and private trust structuring. A specialist Financial Services Division of the Grand Court handles trust matters and appeals are made to the Privy Council, the highest court of law in the Cayman Islands.



The jurisdiction also has a reputable regulatory framework overseen by the Cayman Islands Monetary Authority (CIMA). Licensed trustees are subject to robust regulatory oversight, ensuring compliance with international standards and best practices.

## **STAR Trusts**

The Special Trusts (Alternative Regime) Law, commonly known as STAR Trusts, is a unique trust option available in the Cayman Islands. Introduced in 1997, STAR Trusts provide a modern and flexible framework for establishing trusts, particularly for asset protection, charitable purposes and succession planning. STAR Trusts give settlors the freedom to customize the trust deed according to their specific objectives, including provisions for the appointment and removal of trustees, distribution of assets and management of trust affairs. They are commonly used for asset protection purposes, as assets held within the STAR Trust may be shielded from creditors, legal claims or other liabilities.

## **Reserved powers trusts**

The Cayman Islands' reserved powers regime offers flexibility and encompasses a broad spectrum of powers. Reserved powers trusts allow settlors to retain certain powers over the trust assets, such as the ability to amend the trust deed, distribute income or capital, or direct trustee actions regarding investments. This flexibility enables settlors to maintain a degree of control while still benefiting from the trust structure. When coupled with the other advantages of Cayman Island trusts, reserved powers trusts are an attractive option for estate planning and asset protection.



## Perpetuities

Previously, the law in the Cayman Islands imposed a 150-year perpetuity period on but charitable or STAR Trusts. In 2024 the Cayman Islands introduced The Perpetuities (Amendment) Act, that allows new trusts the ability to disapply the perpetuity period for ordinary trust allowing them to last indefinitely.

## Flexibility and versatility

Trust laws in the Cayman Islands offer a high degree of flexibility and versatility, allowing settlors to tailor trusts to their specific needs and objectives. Whether it's asset protection, estate planning, charitable giving or succession planning, the Cayman Islands can accommodate a wide variety of trust purposes and structures. Trusts can also be established for revocable and irrevocable purposes, providing settlors with the flexibility to adapt to changing circumstances.

## Why choose us

Our mission is to be a premier provider of trust administration services. We have over 300 existing client relationships in the Cayman Islands, delivering a holistic service offering often in collaboration with other IQ-EQ offices and teams.

Our Cayman Islands trust team has a combined experience of over 50 years in offshore jurisdictions and financial services, as well as extensive global awareness.



We structure our Cayman Islands trust services to maximize the financial benefits for (U)HNW families, family offices and corporations. We can assist with managing various types of commercial and private client trusts, including:

| Commercial trusts        | Private client trusts                   |
|--------------------------|-----------------------------------------|
| Unit trusts              | Discretionary trusts                    |
| Collateralized trusts    | Non-discretionary reserved power trusts |
| Employee benefit trusts  | Purpose trusts                          |
| Liquidating trusts       | STAR trusts                             |
| Asset olding trusts      | Asset protection trusts                 |
| Management shares trusts | Protectorship                           |
|                          | Enforcship                              |

IQ-EQ is regulated and fully licensed by the Cayman Islands Monetary Authority (CIMA). The combination of our holistic services approach, industry expertise and our a la carte fee structure allows clients to choose only the trust services they need. Some of these offerings include:

- Acting as a trustee and providing fiduciary oversight
- Reviewing and signing off on transactional documents
- Regular review of performance and financial reports
- Reviewing and approving annual audited and unaudited financial statements and related documents
- Providing regulatory and industry updates and best practice
- Ad-hoc trust related issues requiring fiduciary discretion
- Trustee meeting attendance, in person and via teleconference
- Responding to investor due diligence requests
- Supervising service providers
- Communicating and liaising with regulatory authorities

Our offering is a powerful complement to our provision of private wealth and trust services that span numerous key jurisdictions worldwide, including the U.S., Jersey, Guernsey and the Isle of Man. All supported by exemplary accounting, governance, compliance and related reporting from one of the world's largest independent and award-winning providers of trust services. Let us help you explore the opportunities that the Cayman Islands have to offer.



## Key contacts



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## Key facts and figures\*

| People                  | Jurisdictions | Assets under administration | Minimum senior team experience | Funds under administration |
|-------------------------|---------------|-----------------------------|--------------------------------|----------------------------|
| <b>6500<sup>+</sup></b> | <b>25</b>     | <b>\$950bn<sup>+</sup></b>  | <b>20<sub>yrs</sub></b>        | <b>2500<sup>+</sup></b>    |

## Our locations worldwide

### APAC

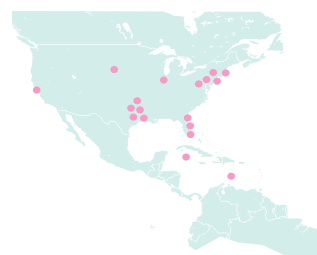
Australia  
Hong Kong  
India  
Japan  
Mainland China  
New Zealand  
The Philippines  
Singapore

### AMERICAS

Cayman Islands  
Curaçao  
United States

### EMEA

Belgium  
Cyprus  
France  
Guernsey  
Ireland  
Isle of Man  
Italy  
Jersey  
Luxembourg  
Mauritius  
The Netherlands  
South Africa  
Switzerland  
The Middle East  
United Kingdom



Information correct as of August 2026

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Reference: IH5147\_14082026\_01  
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