



THE CROWN'S OWN VIRUS

How to thrive in the upcoming
global depression

Mundo Offshore's report on Corona virus

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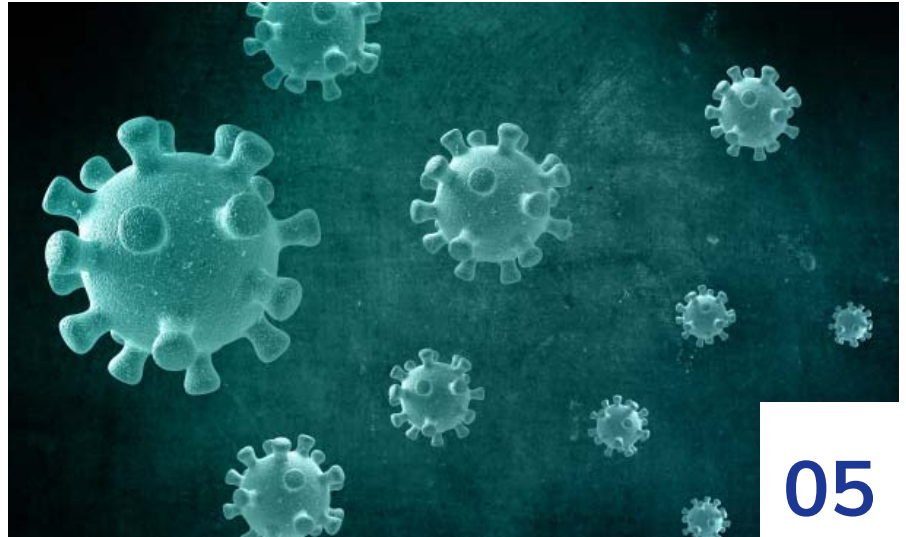
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INTRODUCTION

The world is already facing financial, social and personal security issues on an ever-increasing scale. The Coronavirus is yet another challenge in this plethora of attacks on personal and financial freedom, so the experts of Mundo Offshore have decided to prepare a report. This report is intended to give advice so you can prepare yourself for the upcoming challenges that you will have to face both in a financial and a personal sense.

This report has been prepared in conjunction with many of our experts but does not necessarily reflect the view of any of them, we have deleted some of the views which we

believe are more controversial and cannot be placed in print but we think you, as our reader, are smart enough to read between the lines and we are always open for consultation.

**ENJOY – BE SAFE,
BE INFORMED, BE PROACTIVE**



Why is the world's governments enacting emergency legislation in light of the coronavirus?

Governments around the world have been enacting “emergency measures to “stem” the alleged spread of the alleged virus, which is allegedly so seriously dangerous to humanity, that it justifies the suspension of all human rights. From United States, To Venezuela and China, governments have enacted emergency legislation controlling or eradicating basic human freedom. These include:



A. People no longer have freedom of movement not only internationally, but in many countries they cannot leave their homes or go to visit their relatives even within the same city (suspension of freedom of movement, which is guaranteed by the UN Convention on human rights and most other instruments).

B. China and many “democratic” countries have enacted legislation to prevent bloggers or writers saying anything about the Coronavirus which is contrary to the Government’s or party line’s opinion (suspension of freedom of speech, which is guaranteed by most international and national human rights instruments).

C. Leaving your house at certain times can get you arrested without warrant, without due process and without charges and held possibly indefinitely without right of trial or visitation (suspension of basic human rights of due process, which is guaranteed by international instruments).

D. Banks and businesses are shut down, people cannot trade, operate their business or access their bank accounts (basic freedom of property is suspended).

E. Because people cannot work or buy food they will of course riot and, in order to prevent this, many countries such as Italy are justified to bring in tanks and soldiers allowed to kill people on the site in order to “protect” them from the Coronavirus (freedom of life has been suspended).

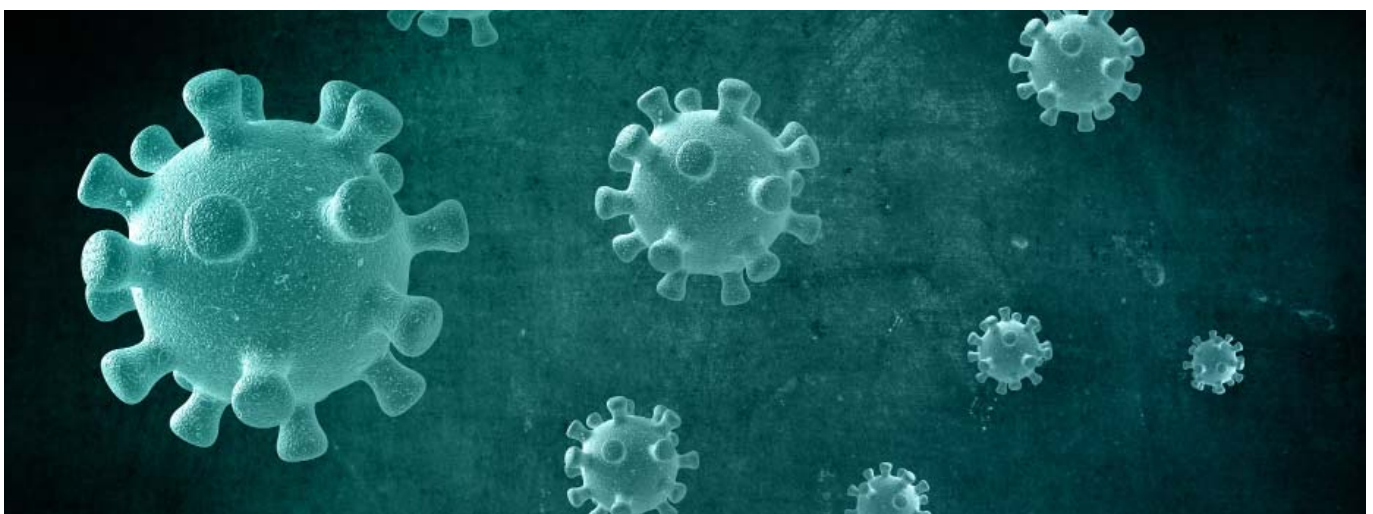
F. Some Governments have forbidden their citizens to buy alcohol during the

coronavirus outbreak (freedom of choice has been suspended)

G. Some, who are very concerned about their citizens, have even quarantined them for 24 hours and imprisoned those that go outside their houses during curfew.

The above measures plus the snowing meltdown of the world’s economy, which will follow, are – we are told – for our own good in order to protect society from this evil threat. Therefore, it is important to understand what it is we are being protected from and how such protection will work. To do so we must understand the danger of the threat.

We are about to enter a new era in a world with even less rights and freedoms than the one we know until this day. Also, a world where bank freezes and financial meltdowns and collapses are going to be an even more common phenomena.



So, what is this great new threat that we are being “protected” from?

The coronavirus

The information we are about to give you below has been taken from official sources of the World Health Organization and the United States Centre of Disease Control, the CDC. The following are official sources and therefore “facts”. You can make your own conclusions from these facts.

Fact 1: The coronavirus is a form of virus belonging to a family of viruses which we call “the flu”. The common flu in its variations has killed and is killing far more people than its strain, the Coronavirus, yet no one has ever brought in emergency measures or used emergency powers because of the flu. Here is an official extract from the CDC:

“According to new estimates published today, between 291,000 and 646,000 people worldwide die from seasonal influenza-related respiratory illnesses each year, higher than a previous estimate of 250,000 to 500,000 and based on a robust, multinational survey.”

The new estimate, from a collaborative study by CDC and global health partners, appears today in The Lancet. The estimate excludes deaths during pandemics.

“These findings remind us of the seriousness of flu and that flu prevention should really be a global priority,” says Joe Bresee, M. D., associate director for global health in CDC’s Influenza Division and a study co-author.

And here lies the problem. The WHO estimated that the disease caused 1.8

million deaths in 2015, while the IHME, that leads the Global Burden of Disease study, estimated 1.3 million deaths for the same year. This difference of almost a half-million deaths could have considerable impact on the design and evaluation of health interventions”

Conclusion: around 1.8 million people died from the flu around the world which is certainly contagious and yet no one has done anything about it whilst the coronavirus has enacted immediate emergency measures.

Fact 2: The Official statistics on death rates speak for themselves.

Again, referenced from WHO’s official sources:

“Since the Centers for Disease Control and Prevention announced that Americans should begin preparing for a likely coronavirus outbreak in the US, panic around the illness has escalated. Since December 2019, when the novel coronavirus (COVID-19) was first discovered in Wuhan, China, it has infected more than 168,000 people

A photograph of medical supplies. In the foreground, a white plastic pill bottle with a white cap sits on a white surface. To its left, a blister pack containing several white, oval-shaped pills is visible. In the background, another blister pack is partially visible. In the center, a red rectangular sign with the text "COVID-19" in black, handwritten-style font is overlaid. Below the sign, several white pills are scattered on a white surface, including two large white capsules and several smaller white tablets. The entire scene is set against a light blue background.

COVID-19

worldwide and caused 6,610 deaths, most of which have been in China and Italy, according to the World Health Organization (WHO).”

However, WHO has, in a former report on influenza, stated the following:

“Influenza is a serious global health threat that impacts all countries: every year, there are an estimated 1 billion cases, 3-5 million severe cases, and 290 000-650 000 influenza-related respiratory deaths worldwide. In this interconnected world, the next influenza pandemic is a matter

of when not if, and a severe pandemic is believed by many experts to be potentially the most devastating global health event with far reaching consequences.

The results suggest that between 123,000 and 203,000 pandemic influenza respiratory deaths occurred globally from April through December 2009”

CONCLUSION: 6,000 or so respiratory deaths from coronavirus in around 4 months as opposed to 650,000 a year from influenza. The conclusion from these two pieces of information,



and generally what the scientists are saying, is that the coronavirus does not have any higher death rate than the influenza virus, yet no one has enacted emergency measures before.

Fact 3: Maybe the world is enacting emergency measures because this coronavirus is so infectious and dangerous unlike any other disease known to man. The following fact, again from WHO's official info and published as early as 1996, begs the question we are not allowed to ask so please ask it in your own mind:

"Nearly 50,000 men, women and children are dying every day from infectious diseases; many of these diseases could be prevented or cured for as little as a single dollar per head, the World Health Organization says in The World Health Report 1996, published today.

At least 30 new diseases have emerged in the last 20 years and now together threaten the health of hundreds of millions of people. For many of these diseases, there is no treatment, cure or vaccine.

"We are standing on the brink of a global crisis in infectious diseases. No country is safe from them. No country can any longer afford to ignore their threat," the Director-General of WHO, Dr Hiroshi Nakajima, says in the report."

So, if in 1996 WHO warned the world that we have a serious threat of 50,000 people

dying every day from infectious diseases, why only now has the world suddenly enacted such draconian legal measures?

Fact 4: Most governments seem to admit they don't have the means to test for coronavirus, so how is it possible to know the actual number of infected people. Therefore, the official statistics are likely to be inaccurate or simply made up.

An extract from a US newspaper report states:

"NASHVILLE, Tn. (WKRN) – Doctors say they think it's amazing that we even have a test for the novel coronavirus considering we've only known about it for a few months now, but as it continues to spread in the United States, they say it hasn't been enough time to allow for mass testing."

The official CDC web site states:

Not everyone needs to be tested for COVID-19. Here is some information that might help in making decisions about seeking care or testing.

- Most people have mild illness and are able to recover at home.
- There is no treatment specifically approved for this virus.

But then if the disease is so generally mild and we have no tests for it, then why quarantine? Indeed, there appears to be no correlation between quarantine and cure



rates. In Singapore, a civilized country with no restrictions on the population, the death and infection rate are far less than Italy, where there is lock down.

Finally, an official publication on 9th November 2015 in “Nature” magazine (nature.com), by Vineet D. Menachery and Ralph S. Baric, states in its synopsis:

“The emergence of sever acute respiratory syndrome coronavirus (SARS CO V) and Middle East Respiratory syndrome underscores the threat of cross species transmission events leading to outbreaks in humans on the basis of these findings we synthetically re-derived an infectious full-length SHCO recombinant virus and demonstrate robust viral replication both in vitro and in vivo. Our work suggests a potential risk of SARS CO V re-emergence from viruses currently circulating in bat populations “

Anyone that analyses this publication would conclude that this particular lab had the ability to synthesize coronavirus type

strains from bats in the laboratory. The question is begged whether the Chinese had this capacity by themselves or in partnership with other states.

We will never know. However, in the future the ability to synthesize viruses by governments and their agencies is another threat that a Plan B needs to consider in your protection policy against Big Brother and his sisters.

CONCLUSION: If governments are not testing everybody for it, if the virus has similar effects to the common flu, if most people survive it, and indeed the death rate is the same or similar to that of the flu according to official government statistics, then why are most of the world’s governments enacting emergency measures to “prevent the spread of the disease”? Indeed, can such emergency measures ever prevent the spread of the flu? Let us turn now to **what emergency measures mean and what your government has the power to do to you.**





Emergency powers

It is interesting that many of the world's governments have all united in the utilization of emergency powers to "fight" this pandemic. Venezuela, for example, is enacting numerous measures to combat the disease such as quarantine and emergency powers despite not having a single case, probably because there is no testing equipment anyway. It is of course very convenient that Venezuela can now restrict social media, enact curfews and arrest people for "the greater good" of fighting pandemics.



In order to understand the scope and power of “emergency measures”, essentially it can be fair to say that every “democratic” government has the power to suspend normal and basic human rights in case of an emergency. This is justified as necessary to protect society. Thus, both in the United States and around the world,

our saviors – wonderful democratic and not so democratic governments – have the constitutional power to override all courts, rights and protections in a state of emergency.

Emergency powers were arguably first developed as an institution in ancient

Rome, where the senate could appoint a “dictator” to take over all their powers during a state of emergency. Caesar was so appointed and afterwards this led arguably to a complete decline of Roman society and freedoms, until it finally became a dictatorial police state run by Caesars with a puppet senate.

One of the first modern philosophers to advocate for these powers was Machiavelli. In his rather cynical treatise “The prince” he argued that the state could use emergency powers to override all protections in a state of emergency. What was a state of emergency was of course decided by the state?

So, in a kind of circular way the state could guarantee rights which it could at any time suspend if those rights threatened the state in any way. Kind of cool for the state, isn't it?



One of the first governments to effectively use this philosophical concept was Adolf Hitler, who overrode all the constitutional powers of the German Weimarch using emergency powers legislation and procedures.

“On February 28, 1933, the day after the fire, Hitler’s dictatorship began with the enactment of a decree “for the Protection of the People and the State,” which dispensed with all constitutional protection of political, personal, and

property rights. Though the ensuing elections still did not give the Nazis an outright majority, they were able to persuade the Reichstag to pass an Enabling Act (March 23) whereby all its legislative powers were transferred to the Reich Cabinet by a vote of 444 to 94, so sanctioning the dictatorship”.

Whilst we could argue all day with academics what constitutes a state of emergency, one thing is clear: if The World Health Organization declares something a pandemic and of threat to humanity, whether or not such is accurate, each government can then use that fact to declare this a state of emergency without any opposition whatsoever. Thus, the United States and following it most other governments have enacted states of

emergency suspending all people’s rights and creating a police state.

Indeed, 196 countries have agreed in creating the WHO (World Health Organizations) to grant the organization itself emergency powers. Such powers allow the World Health Organization to override the autonomy of countries themselves in cases of pandemic and to utilize all known military and other force to arguably control the population of a country. The United Nations of which the WHO is a part has its own military, paramilitary and other enforcement agencies. The documents as to how this can be put into practice during a “pandemic” are not open for public scrutiny, but these powers are stated in article 21 of the WHO charter.



Article 21 of the WHO charter

The Health Assembly shall have authority to adopt regulations concerning:

(a) sanitary and quarantine requirements and other procedures designed to prevent the international spread of the disease.

George Orwell, in his novel 1984, emphasizes not a fiction but something that already exists: the state is Big Brother and Big Brother rules us by using fear. At the same time, through misinformation and miseducation makes us believe that the state is there to protect us. We believe the state is there to help us and protect us from all the world's evils, illnesses, pandemics, and we simply must give up all our freedoms to the Big Brother who knows best.

It does not matter that the quarantine that is enacted into law will cause millions of people to starve, commit suicide, die alone in their houses through neglect, cause massive spikes in crime, domestic violence, mental illness through being locked up at home, enormous social disruption and eventually riots and mass killings on the streets.

None of these matters. The state is there to protect us from a disease that

somehow will go away if we lock our doors and don't go out.

In any event what we have been speaking about for so long in terms of the imminent danger of governments and their unbridled power is now happening before our very eyes. It is no longer theoretical that the individual can be stopped, imprisoned, suppressed, and even starved without due process under emergency powers. This is happening now.

China has used the "pandemic" to justify surveillance, complete shutdown of personal freedoms and curfew, the United States has brought in military law in some cities and began releasing prisoners from prisons while imprisoning its own citizens under home arrest via quarantine. Italy has enacted powers enabling fines and imprisonment if you simply take your dog for a walk on the street. Some dysfunctional governments have begun to shut down electricity and other essential services whilst strictly enforcing curfew. These measures overall will kill many people, perhaps even more than the coronavirus itself.

This, of course, is only the beginning





The financial meltdown

It is certainly the case that the world will not look the same after coronavirus, but this pandemic will quite possibly have the following economic, social and restrictive effects on your freedom:

A. As the food supply in certain cities begins to run out and as wages stop being paid with massive unemployment, people will begin to riot, crimes will increase, prisoners will be (are being) released from the prison system which will escalate military and social control. The government will respond with escalating military and social powers over food, water, freedom of movement and the internet in many countries. If the coronavirus does not result in increased powers or their justification, certainly another “pandemic” will. It is only a matter of time as governments like China, the United States and Europe are getting an increasing appetite for the use of suppressive technologies against their own population.

B. The meltdown of the world’s financial system is inevitable; the question is only the size of the financial crisis and its global ripple effects. Some writers believe that the United States debt cannot sustain a black swan even like a pandemic and that the world will be plunged into a massive global deflationary recession or quite possibly a global depression like in the 1930s. Of course, not only will this have an increasing effect on A as it will

become a self-fulfilling prophecy and a vicious circle of disaster: – the markets crash-people lose money-people riot-more government control-more economic hardship, etc. You get the idea. However, the following things are possibly and even likely if not now within the next 24 months:

I. The stock market will plunge in the United States due to poor figures and the corona hysteria, causing a sell-off effect and rush on the markets in the same way as occurred during the great depression which will become a self-perpetuating prophecy. This may lead to a complete crash of 50-80% of the market. In a Bloomberg interview on Sunday, Federal Reserve Bank of St. Louis President, James Bullard, predicted the unemployment rate may hit 30% in the second quarter because of shutdowns to combat the coronavirus, with an unprecedented 50% drop in GDP.

II. The market may not recover because of the shutdown of major businesses such as airlines, large chain stores, tourism ventures and hotels. This will mean layoffs retrenchments which will perpetuate a decreased demand for goods and services, therefore there will be nothing for the market to rebound into. For this reason, the stock market crash could become long lasting as during the great depression.



III. The government will attempt to inject liquidity but there will be no demand to soak up this liquidity. This will lead to a possible devaluation of the US dollar which will have ripple effects on the entire world economy, bringing along more unemployment and social unrest, a crash in property prices, bankruptcy of major and minor bond issuers and government debts defaults around the world.

IV. In order to stem the tide, governments may increase taxes especially on those that are perceived to be wealthy, freeze the banking system so that money cannot be withdrawn and generally try to put a band aid on a patient bleeding to death. In such an event this will reduce the money supply and cause further drops in prices and demands.

V. The vicious cycle will increase the popularity of openly socialist and communist governments that will promise an already challenged population that they will take from the rich and give to the poor. This will lead to a cycle of increasing taxation and confiscation as can be seen in Europe already and other socialist systems like Venezuela.


Of course, none of these things will happen at once and not at the same pace in every country. Sane and intelligent societies with good regimes and minimalist taxation, and governments such as Singapore, will only become wealthier due to the influx

of rich and intelligent people running away from places such as Europe or the United States. However, such countries will be few, and their immigration policies will become more and more restrictive as the mass of human and financial capital leaves the ravished countries for a safe haven.

Whether you have one hundred million or one hundred thousand dollars, you need a PLAN B to address the above events which are already happening and have been happening for the last ten years. Moreover, as we can see, these events will soon start accelerating at a heretofore unheard-of pace.



Mundo has spoken to many of its experts to put together a comprehensive PLAN B solution based on the five-flag theory.



THE FIVE- FLAG THEORY



THE FIRST FLAG: CITIZENSHIP AND RESIDENCY

To summarize the potential social control agenda of totalitarian governments and governments which consider themselves not so totalitarian, we simply need to look at the various responses already happening to the “threat”. The current agenda looks like a badly written recombination of 1984 and Brave New World, but it is already happening now:



Step 1: create a virus or write about the virus in all mass media, create fear, panic and mass hysteria.

Step 2: create draconian laws that eliminate all freedoms and bring in a new surveillance state or world government operated by WHO, NATO, etc. Close borders and eliminate freedom of movement, bring in military regimes, concentration camps and lock downs.

Step 3: freeze the banking system and convert to a new electronic money and make cash and precious metals and other savings illegal.

Step 4: force everyone to be microchipped and vaccinated in order to have total control. Those that refuse will be eliminated from the financial and social system in

effect becoming outcasts without ability to use e-money or travel. Make anyone who refuses to cooperate into a virus carrier and enemy of the state.

Of course, such a situation could never happen in our lifetime, but that is exactly what many people thought about the great depression and other cataclysmic events, isn't it? The Five flag theory is tested to protect against all events including cataclysmic situations like the scenario being described here.

The first flag of the famous five flag personal and asset protection strategy is finding a place where you can travel and escape to in times of serious social unrest, as well as a place where the government is less likely to exercise draconian powers against its citizens.



For those who have the means to afford it, obtaining a second citizenship is the Rolls Royce or crème de la crème of the first of the five flags.

Having a second passport allows you immediate access to the benefits and privileges which that country gives and, in times of trouble, you can travel to that country using this passport. Thanks to being a citizen you will be able to live there, bank and store some of your assets there, thus guaranteeing freedom of movement and protection for you and your family.

Rickards, the famous investor who shorted the US banking system by betting against















prime mortgages has famously predicted the collapse of the entire system and moved to a farm. But the problem is that in such an event no farm in America will be safe. You need a farm that's located tens of thousands of miles away from any major government, and herein comes the first flag of the Five-Flag theory: a second passport.

But sadly, there are only a handful of countries in the world which give immediate citizenship and issue passports to investors. They do it through special programs called the Citizenship by Investment programs.

These countries are Malta, Cyprus, Turkey, Montenegro, Caribbean countries (Antigua, Grenada, St Kitts and Nevis, Dominica, St Lucia), Moldova and Vanuatu. That's it.



We include a table of the costs of each for an individual and a family of two adults and two children so you can see the prices.

Country	Investment required for one applicant	Main applicant + spouse	Applicant + spouse + two children under 18	Additional dependants
				
 Antigua and Barbuda	from 125,000 USD	from 125,000 USD	from 125,000 USD	15,000 USD
 Cyprus			from 2,000,000 euros	
 Dominica	from 100,000 USD	from 175,000 USD	from 200,000 USD	from 25,000 USD
 Grenada	from 150,000 USD	from 200,000 USD	from 200,000 USD	from 25,000 USD
 Malta	from 650,000 euros	plus 25,000 euros	Each Dependent child 0-17 yr: 25,000 euros	Each Dependent aged 18-26 yr, not married and financially dependent on the main Applicant: €50,000
 Moldova	from 100,000 euros	from 115,000 euros	from 145,000 euros	5,000 euros over 16 y.o.
 Montenegro	from 350,000 euros	from 350,000 euros	from 350,000 euros	
 St Kitts and Nevis	from 150,000 USD	from 150,000 USD	from 195,000 USD	from 10,000 USD
 St Lucia	from 100,000 USD	from 165,000 USD	from 190,000 USD	from 25,000 USD
 Turkey	from 750,000 USD	from 750,000 USD	from 750,000 USD	
 Vanuatu	from 80,000 USD	from 100,000 USD	from 130,000 USD	from 10,000 USD

However, being the citizen of a country where you can actually feel safe is priceless. Today, this can literally mean the difference between life and death for you and your family.

Picture yourself a situation like this. You are in Europe, there are millions of people rioting on the streets, hundreds of thousands of armed refugees from third world countries are screaming that the epidemic is a satanic plot by capitalists and are running on the streets killing every non believer they can find. The police are shooting anyone on the street and there is no food left. The wealthy are the first target.

Ten years ago, no one would have believed that such a scenario could exist but since the Paris, Barcelona and Germany riots and the current Italian riots and pandemics effects, this is not a mere possibility, this is Europe's reality. What's more, it's a reality that is happening as we are writing this report.

Let us now look at the alternative reality. You and your family invest in a second

citizenship. As is clear no country can forbid entry to its citizens, so, during plagues, wars, pandemics and other disasters you are given free entry to your new country and you can live and stay there for as long as you wish. More than that, if you open a bank account as a new citizen, your money is much safer because citizens have more protections by the banking systems and accounts are less likely to be frozen or confiscated.

Your Plan B citizenship needs to be in a country that has a good food supply, few social and criminal problems, that is difficult to invade or attack and one which can (in the event that borders are closed) be self sustainable in terms of food, water and essential goods. Most importantly, this country should not have a politically repressive socialist government.

We have already identified the available citizenship by investment destinations. You can research each one in depth on our portal under the country focus pages. All programs have benefits; however, your choice will depend on many personal factors such as where you want to live, how do you like the culture and lifestyle, etc. All these countries have certain benefits in times of turmoil, but the question is: if everything hits the fan, if the world goes into complete meltdown, which one would you choose?

MUNDO'S FIRST CHOICE: VANUATU

For all those that are not exactly enthusiastic about Bill Gates plans to introduce a microchip into every human being to track whether they have received a vaccine, it may be time to consider a country where such events may not happen for a very long time or even never happen at all. A country where you can have your own organic farm with real organic food, where GMO is actually not allowed, and few people even use pesticides. In short, where you can escape from it all and live in your own self sustainable organic farm.



In a nutshell, Vanuatu is probably the best place in the world to have your own self sustainable organic farm with almost zero risk that someone will take the food source away from you by government, military or physical violence.

We recommend Vanuatu because it is the perfect Plan B citizenship. A country with only 300,000 people and over 80 islands in the middle of nowhere, hard to get to by boat and not connected to any land mass. It has abundance of organic food, coffee, meat, fish, clean water, fantastic unpolluted beaches and coast lines, no army, no armed police and a beautiful little town of 5,000 expats in its capital city. Add to this fantastic banking, great wealth management options and great restaurants. What more could you want, where else would you want to spend your days while the rest of the world burns?

Whilst in the past Mundo was talking about the first flag as an insurance policy for the future, a second passport from the right jurisdiction has now become a necessity. It is predicted that in the upcoming years or possibly even months there will be increased taxation and new taxes based on your citizenship. We also predict massive wealth confiscation as a means to fight “the epidemic” and help your fellow men defeat the disease. Vanuatu has no personal income tax, no gift tax, wealth tax nor inheritance tax, and that is the way Vanuatuan like it.

Firstly, let’s take a look at the plan B criteria of survival. You have to understand that if you don’t have access to physical necessities such as food, water and safety, the rest is really academic. In a meltdown you don’t really want to be in a major city or near a major city and you want your family to be physically safe from being attacked by marauding people looking to rob them.

From this perspective, Vanuatu scores ten out of ten. Efate, which is the capital town, has a grower’s market with abundant supplies of locally grown vegetables, fish, fruit and meat. Yes, the Ni-Vanuatu grow most of their own food supply, they are completely self sustainable and have more food than they can consume. There are 80 islands where you can find cattle, chickens, pigs, local sweet potatoes of all shapes and sizes, wide variety of spices, coffee, fruits such as papayas, mangoes, bananas and all sorts of exotic herbs and spices. The surrounding waters are very rich in fish, crabs and other sea life. The best part is that all of this is quite cheap, and you can buy it all at the local market. As far as water is concerned, Vanuatu has sources of underground aquifer water which exceed its needs by millions of gallons. This means there will always be an abundant supply of fresh water in Vanuatu.

As a citizen, it is very easy to own a small or large farm and have your own garden, food and lifestyle on the border of one of the most beautiful views of the Pacific Ocean.



From a safety perspective, Vanuatu has no common borders with anyone, and it is very difficult for refugees or bandits to get here as the nearest major land mass is Australia, which is thousands of miles away. Shutting down flights provides complete protection against external threats and further, as demonstrated, Vanuatu at the time of writing has absolutely no cases of coronavirus. We have established that there are no external threats.

What about internal threats, you may ask? Unlike most island nations, there is virtually zero violent crime against foreigners. You won't find robbery or killing against foreigners at all. The people are generally very peaceful. Explaining why this is like that would take a deep analysis of their culture, but let us say this: Ni-Vanuatu have a deep cultural respect for their chiefs and 80% live in traditional villages where the law of the chiefs is still followed and where crime, alcohol and violence are not tolerated. Further, because there are no social security benefits, everyone farms their own land and works for a living. People simply have no time for drug abuse, alcohol abuse or crime.


There are also no serious diseases on the island such as malaria, etc. Medical facilities are adequate with a sufficient number of expat medical doctors and clinics. However, for serious medical emergencies there are insured charter flights to Australia.

Sounds like a Plan B safe paradise, doesn't it? It actually is and it scores 10/10 in that respect.

Your next question will be, of course, how do we live and what do we do there. Well, in a critical situation you should understand that it will be a different world. The perceived advantages of big cities such as shopping, theaters, nightlife and schooling will disappear and the disadvantages (violence, crime, plagues, confiscation, taxes) will increase rapidly. Remember, this is a Plan B and has to be considered as such. So, in a Plan B situation what can you do in Vanuatu? Surprisingly almost everything you would expect from the big city life.

Let us briefly examine what can Vanuatu offer to its brand-new citizens:

Lifestyle: Efate has over 5,000 wealthy expats living there which is enough for very good social life of cocktails dinner parties and yes, even racing, which they do occasionally on the Porto Vila racetrack with champagne, high hats, etc. There is a lovely restaurant scene of around 20 high fashion restaurants where you can sample French delicacies such as Frigs legs, river shrimp, coconut crab (real crabs that eat only coconut) and, of course, all the local fish varieties and beef. When you want to take a break from eating and socializing, there is amazing horse riding offered by a French actress who started an international horse stud. You can also

A vibrant tropical beach scene. In the foreground, several tall palm trees with lush green fronds lean over a pristine white sandy beach. The water is crystal clear, showing a gradient from light turquoise near the shore to a deeper blue further out. The sky is a clear, bright blue. The overall atmosphere is serene and inviting.

For the adventurous
there are 80 untouched
islands to explore

enjoy jungle adventures and waterfall tours. You will also have access to the most amazing diving, fishing and sailing in the Pacific right on your doorstep and will visit the most breath-taking beaches. Vanuatu has been voted as having the best beaches in the Pacific, all accessible and uncrowded, with pristine waters and soft white sand. For the adventurous there are 80 untouched islands to explore.

What about schooling for your children, you may ask? Vanuatu has a French school ran by the French ministry of education to the highest standards, a British school and

its very own Pacific University. For all these reasons, Vanuatu gets a 9 for lifestyle.

Business: if you start a local business in an economy which is beginning to boom due to the increasing demand for Plan B, you will find zero capital gains tax, zero inheritance tax, zero income tax both locally and internationally. In fact, Vanuatu has no taxes of any kind (except sales tax) and it is the only country in the world that has this exemption. There are also seven domestic and international banks on the island and numerous lawyers, accountants and experienced professionals.



Interview with Gustavo González, our citizenship expert

Q. Gustavo I understand you are NTL's representative in Latin America for citizenship, why do you think Vanuatu could be a good fit for Latin Americans?

A. Latin America has always been prone to crises, for this reason Latin American families want a place that can be far away from the world's troubles but to still be able to live and work in Latin America. Vanuatu is perfect as it is very inexpensive compared to other programs (150,000 all-inclusive for an individual) and very fast. It also has the advantage of being able to include your grandparents i.e. the parents of the applicant. This means there is much wider possibilities for the whole family. It is important to notice that family is very important in Latin American culture, so the fact that parents can be included in the application make it possible for the whole family to stay together, even (and especially) in those troubled times. This, along with a very fair and transparent due diligence process and a small upfront fee, make it ideal as a Plan B passport.

Q. What are some of the reasons that Latin American families in particular need a Plan B Passport.

A. Well, Latin America has a range of problems and issues the world normally doesn't face. If we talk about the coronavirus specifically, we have to say that Latin American countries generally aren't ready to face a health crisis. They don't have enough hospitals, resources, staff and are highly disorganized. Add to this the fact that there is organized crime and kidnapping, targeting wealthy families, and sometimes the governments themselves are part of such targeting efforts and participate in extortion. These reasons are more than enough to apply for a second passport, and this plan B becomes an urgent matter. Essentially, Latin America in general does not have a rule of law and has high levels of corruption. So, if the government/the criminals target you, there is no one to turn to and that can happen very easily if you are out of political favor.

Another reason to acquire a second passport for Latin Americans are sanctions. Venezuela, for example, is under sanctions from many different countries, which results in the difficulty of Venezuelans opening international bank accounts, developing their businesses and achieving things that most people take for granted.

This could happen anytime anywhere in Latin America, we are very unstable from an economic, social and political point of view.



Q. What about banking and safety of finance?

A. Well, Vanuatu has virtually no exchange agreements with other countries and citizens can enjoy a number of very stable and safe banking options in multi-currency accounts. It's not a good destination for business or transactional banking but in terms of holding your funds there and having them available it's a great destination. This is why many wealthy families choose to bank there. So, as a citizen you have the automatic right to open bank accounts, buy real state and farms and open local businesses.

**For a detailed no-obligation consultation please contact Gustavo:
corporateofficer@ntlwealth.com**

YOUR SECOND FLAG: TAXATION

Let me tell you how it will be
There's one for you, nineteen for me
'Cause I'm the taxman, yeah, I'm the taxman

Should five per cent appear too small
Be thankful I don't take it all
'Cause I'm the taxman, yeah, I'm the taxman

If you drive a car, I'll tax the street
If you try to sit, I'll tax your seat
If you get too cold, I'll tax the heat
If you take a walk, I'll tax your feet
'Cause I'm the taxman, yeah, I'm the taxman

Lyrics and music by George Harrison

These days only a Plan B passport is not enough if you really want to protect yourself from of a second even more dangerous virus: taxation. Like you can see from the above song, a popular music band like the Beatles were already complaining about this virus in the 60s, and 60 years later things are not at all improving.

With the coronavirus will come increasingly draconian government tax measures that will target your residency and eventually your citizenship. Already complicated tests are designed to tax you simply because you may have a home in a certain place. Europe is increasing its emphasis on wealth and inheritance taxes and chasing out the wealthy all over the world.

America already does this and its is quite possible Europe will soon have a citizenship tax so establishing tax residency now is an extremely important step.

The tax authorities of governments now use big data to track major purchases across bank accounts and generally hunt for the wealthy like pheasants. However, its no longer the ultra wealthy who have to



put up with these, average people, earning even less than several hundred thousand a year, are already being targeted. I mean we all have to pitch in and fight the coronavirus, don't we? Before it was greenhouse emissions, world pollution, etc. But now, isn't it time for us to pay extra taxes to fight a common invisible enemy for the greater good?

The solution is to establish the possibility to shift yourself, your money and your assets to a jurisdiction which does not charge taxes on worldwide income and which you can use as a base for your wealth management and investment strategy.

The way this works is actually quite simple but the considerations and factors you need to address require a team of experts to guide you, but let us look at this in a very basic way:

Let us say you are living in France with your family and have a business in Latvia, selling oil from Saudi Arabia to China and you are making 1,000,000 a year. Despite the fact that your business will have no connection to France, any personal income you make will be taxed at the highest rate in France which could go up to 70% on the dividends you make from the company, that is not including the tax the company

would make on its profits which would be another 30%. So out of the million dollars you earn with your hard work, you end up putting only 300,000 in your pocket.

If you leave France, quit the French tax system by properly removing or transferring your French assets, acquire tax residency in Panama, close your Latvian company and start trading through a Panamanian structure, the million dollars you obtain will pay zero tax. Yes, there may be a small 5% dividend tax but even that can be minimized by using certain legal flow through structures. And the beauty is you need only to remove yourself from France, but you don't actually have to live in Panama.

There are only a few jurisdictions in the world which do not levy taxes on foreign sourced income and the savings wealthy families get from these are immense. Imagine having to pay no taxes on the increase in your bond, precious metals portfolio and no tax on income made on projects, international consultancy, crypto or other deals. Well, that is how many of the world's wealthiest families live.

In Europe, the countries which have favorable, and in some cases zero, tax regimes on worldwide income include Portugal (golden investor non-dom regime), Switzerland, Montenegro, Monaco, Cyprus and Malta. All of these are by the way very nice places to live in. More exotic locations with very interesting regimes are Madeira (island) and the Canary Islands (Spain).

In Asia, the jewel in the crown is Singapore and if you can afford it is the perfect location to establish tax residency from all perspectives.

By far, the easiest, fastest and cheapest, however, is Panama. In Panama tax residency can be established without having to reside in the country as long as you have a permanently established business or stream of income and file the right declarations. It is the most exciting place to live in Latin America. It is in fact the Switzerland of Latin America but at a fraction of the price. Sounds good, doesn't it?

The classical Five-Flag theory recommends having a tax residency in a different jurisdiction from your passport so that you diversify your political and fiscal risk. However, tax planning is in most cases much more important than investing correctly since in many cases the government takes up to 50% of your investment earnings. Many jurisdictions, and especially some European jurisdictions, take 70% in taxes so you just can't get ahead no matter how wisely you invest.

The other advantage is, of course, CRS. The Common Reporting Standards have undoubtedly changed the game for many tax planners and their clients. Most financial institutions, trustees, even now accountants and lawyers will or are obligated to report

their clients' affairs to their tax residency country. This causes a number of issues and some of them are even unknown to many investors. For example:

a. If your tax affairs are reported to a criminal government, like Mexico, it is likely that your information will be shared by criminal gangs who may use it to extort money from you or even kidnap you or a family member. This is the hidden threat of transparency in Latin America, people are making themselves transparent to criminals. It is common knowledge that those who work in the police or tax departments have criminal connections in countries like Mexico. If, on the contrary, your tax residency is properly established in Panama, your information will go

to the Panamanian authorities. In Panama you won't find such horrible problems as this country doesn't have organized crime.

b. The other problem with reporting your assets and wealth is that governments who receive such information have wide uncontrolled powers to freeze bank accounts, start investigations and generally make your life a living misery. If they receive no information about you, because you have changed your tax residency to a civilized country that respects your privacy, then the saying goes: what they don't know, can't hurt you. CRS only applies to sending your financial information to the country where your tax residency is established.



Interview with Illya Kun

tax residency expert at NTL

Q. Illya, practically speaking why would people need tax residency and residency in terms of the current threats we have identified? Also, and at the risk of asking a silly question, can you explain what tax residency is?

A. Actually very few people, some professionals included, don't understand what this means. A tax residency is simply when a country recognizes you to be a permanent taxpayer in that country, and other countries may or may not also recognize that. It is usually but not always the place where you file tax returns, have a permanent home, have your business center, personal and financial interests, etc. One of the reasons for having a tax residency is that these days serious banks will work with you only if you can identify a tax residency. You also need to have paperwork to show your source of income and your filed tax returns. This is becoming increasingly important not only in opening bank accounts but even in buying real state or investing. Everyone in the investment chain needs to be certain of your tax compliance. Thus, if you are investing in bonds, equities via broker or even buying a condo or setting up a gold investment account, you are going to be increasingly asked where your tax residency is and you will have to submit documents to prove it. Further, you want to have the option of opening a bank account in a country where you are resident so that if there are ever problems you can actually visit the bank and are treated as a tax resident of that country. Many banks are now asking for substance requirements, meaning they can close accounts of those people that have no connection to the country.

Q. Illya, which in your view is the best tax residency jurisdiction?

A. Well, one of the few tax residencies that is fast and very affordable is Panama, because it allows you to obtain it by having a permanent source of income in Panama without actually requiring a term of stay here. Another one I highly recommend as the best residency and tax residency package is Portugal. You can organize tax residency without having to live there which is very convenient to many of our clients. Again, if you are a Portuguese tax resident you will have the option of working with Portuguese banks to structure your European and international investments.

THE THIRD FLAG: YOUR ASSET PROTECTION STRATEGY

Most investors care about growing their wealth but there is actually little emphasis on the most important thing: protecting it. Many people make a fortune over years and then lose it in weeks or days due to unscrupulous creditors or advisors, divorce disputes, etc. Look at Mike Tyson, for example. who lost his entire fortune or the myriad of Hollywood stars which lose their wealth in marital disputes or creditors.



The current world crisis unlike many of its predecessors is going to leave a lot of businesses on the verge of bankruptcy and that means the creditors will come after your personal assets. Similarly, there will be a lot of strained marriages from people going crazy during the lock-up in their houses. This will undoubtedly result in a consequent epidemic of marital claims, even worse than the coronavirus pandemic, and then, with the budget strained, the tax man will come for his pound of flesh, like in Harrison's song.

But you may say these are all inevitable aspects of life. Not so. There are many ways of protecting someone's assets and wealth. The world's wealthiest families have long used a trust structure to protect their wealth and we will now see how this works.

The only instrument that has been tested by over 800 years of English Jurisprudence as an infallible asset protection tool, an intergenerational wealth planning instrument and a tax optimization structure, all in one, is the English Trust.

Although complex in design the basic principles of the trust are simple to understand. The owner (called a settlor) gifts the legal title of property (this can be cash, real estate, stocks, gold, antiques, pieces of art, etc.) to a company (called the corporate trustee) who holds the beneficial or equitable title (the rights to income and assets) as trustee or

custodian. The assets are held in custody for a select number of beneficiaries which can be the settlor himself, his children, family members or anyone including other companies or trusts. The trustee then manages the assets for the benefit of the beneficiaries for as long as and on such terms as the trust deed indicates. Because the legal title is under the trustee's name, if properly structured, the beneficiaries are not taxed on the trust's income and are not considered owners of the trust property, so they can't be sued nor the assets can be confiscated.

- The dynasty trust creates a perpetual trust structure for yourself and future generations in perpetuity (forever), thus avoiding all forms of government wealth tax, gift tax, inheritance tax and personal tax and preserving the assets in the family. This structure has been used by families such as the Rothschilds and the Rockefellers to preserve and grow intergenerational wealth whilst maintaining their accustomed lifestyle.
- The beneficiaries of the trust and their descendants cannot be sued by spouses, partners, creditors, tax authorities or indeed anyone since all the assets are owned De Jure (in law) by the trust. That means you and your children, and their children's children, are protected forever from serious life events that financially devastate most families, including bankruptcy, divorce,

estate disputes, creditors' claims, tax disputes and seizures. The trust also has a discouraging effect against kidnapping, extortion and other forms of fraud since the beneficiaries cannot be forced to part with assets they do not legally own, nor forced to provide passwords to bank accounts they do not control.

- The beneficiaries can have their cake and eat it too since they can maintain a lavish lifestyle of yachts, houses, and all the necessary "toys" which they have used during their lifetimes, only these are, in theory and in practice, loaned to them by the trust until their deaths. This completely eliminates complex inheritance disputes and wills. This is especially important in jurisdictions with forced heirship rules.
- The settlor (s) or the initial owners of the assets can maintain full control during their lifetimes by properly drafted protector clauses, which allow them to replace the trustee and to change the terms of the trust as protectors. Further,

because they live in a tax-free jurisdiction (see step 1 and 2), any income they do receive from the trust can be legally declared as foreign sourced income and therefore be tax free.

- In a jurisdiction like Nevis, for example, the trust pays no income tax whatsoever, no capital gains tax and indeed no tax in Nevis. By using carefully selected holding companies and investment structures it can minimize withholding tax at source in the countries in which it invests by taking the benefit of double taxation treaties.

For increased protection the assets can be held by and managed by an independent custodian trustee which is either a licensed asset manager, bank or financial institution which carries indemnity and liability insurance and is accountable to the trustee. The current family office structure or your existing custodian can comfortably fill this role so nothing needs to be shifted or transferred. We work with numerous multi family offices in this regard.

It is important to note that the trust is established under your new passport and tax residency, which means that CRS reporting will be to your tax residency country and eventually to your country of citizenship. It is to be noted that this is not a CRS avoidance mechanism, since your information will be reported to the countries where you legally are a tax resident but where tax on foreign sourced income is not levied. With this structure properly settled, you and your family become essentially legally tax-free FOREVER. You are not avoiding tax, nor are you planning your tax affairs, you are simply leaving, on a complete legal and compliant way, the tax net

Interview with Cristina Rios

NTL trust expert

Q. Cristina, it is a pleasure to have someone of your expertise with us today. Firstly, can you tell us what trust would you recommend?

A. There are many factors to choose from and there are many jurisdictions which offer trusts with different levels of protection and different legal requirements, these include Cyprus, Lichtenstein, Singapore, United States, Malta and many others.

Q. Which of these would you recommend?

A. I may be a bit biased, but I would say Nevis. Our team of advisers researched the trust laws of many countries before establishing in Nevis. NTL has the oldest trust company in the Caribbean, having established our trust license in 1994. St Kitts and Nevis has a trust law and legislation which is considered one of the best in the world. This legislation has been modelled on British law but with extra protections and has been adopted by British colonies and Commonwealth countries such as the Cook Islands, Caymans Islands, and British Virgin Islands.

There have been a number of tax cases, popularized by Times Magazine, whereby the American government tried to set aside such trusts holding vast sums of money, due to taxes owed by the settlors and beneficiaries, without success. It is indisputable that a properly established Nevis trust is unbreakable since not even the entire political and fiscal power of the American tax department can set it aside. It is little wonder that the Nevis trust is the preferred asset protection tool of many of America's highly wealthy families due to its limitless possibilities.

Thus, for example, if your trust has been established 2 years before the existence of a claim, it is impossible to set aside even if the claimant is the assignee in bankruptcy, your spouse, your creditors or the IRS itself.

THE FOURTH FLAG: WEALTH PROTECTION IN A CRISIS

The first three flags are about creating a wallet in which to place your investments, however, the fourth flag is about what to invest in and how. This involves creating and working with an investment strategy.



The coronavirus scenario is a very good time for governments on both a national and supra national level to introduce new currency and monetary policies.

On a supranational level, the Bancor was an international currency first seriously proposed by John Maynard Keynes right after the great depression and during the second world war.

The world has partially taken up the first stage of such a proposal with the IMF special drawing rights, however, it is not at all beyond possibility that many countries will use the current and upcoming financial crisis to introduce a new global – probably digital – currency.

The introduction of global digital currencies to replace local currencies was firstly proposed in The Economist's 1988 edition as "The Phoenix".

A global epidemic and its aftermath (unemployment, recession, stagflation, hyperinflation, business shutdown) would be a wonderful excuse for governments to essentially recalibrate the whole financial system, freeze bank accounts and make local currency obsolete.

There are numerous precedents, for example, the Indian government one day simply wrote a decree that Indian cash would not be recognized as legal tender and ordered people to exchange it at official exchange stations.

This could happen at a national and a supra national level as well. But we do not need to even speculate on the above possibilities to draw comparisons with the great depression and even with more recent events such as the Cyprus and Greek banking and fiscal crisis. Examples of what could happen – and what indeed will happen – are as follows:

- The unprecedented shock to the world's system occasioned by a complete shutdown of the entire economy around the world could have effects larger than the great depression. This will result in massive bankruptcies of banks and shutdown of the banking system in many countries. Looking at the confiscation of money in Cyprus, it is quite possible that many countries will simply seize people's money in bank accounts.
- Businesses, real estate investors and developers will face a short-term liquidity crisis.
- The US Fed will start printing money to inject into the system, however, there will possibly be no demand causing possible stagflation, hyperinflation and a possible freeze on the entire monetary system.

In such a scenario, what does an investor invest in? We have gathered a few of NTL and Mundo associated experts and discussed possible investment and holding strategies.

Interview with Luigi Wewege

(director at Caye Bank and Mundo Offshore’s representative for Belize, published author of several books including the successful “The digital banking revolution”)

Q. Luigi, as a banker and as someone who predicted the digital banking revolution in your best-selling book, if there was a great depression, would you please tell us how should people hold their cash?

A. When people approach me asking about a potential depression and whether they should bank offshore, I will always raise this point... that no matter if you are middle income or a high net worth individual you should always think about allocating a decent portion of your portfolio to offshore banks.

This way you will not face the same exposure and risk as you would if you had your entire portfolio or deposits sitting in European and American based banks.

Q. In which banks and which countries will the cash be most at risk?

A. Since the start of the Trump administration there has been huge inflows of capital into the USA. But now, people are getting nervous that the bailout passed recently is not going to be enough to kickstart the economy, especially if there is a second big wave or spike of coronavirus cases in America. People who have placed large portfolios in either the USA or even Europe are currently rethinking whether these decisions were the correct ones.

The Fitch Ratings agency already warned that the Italian banking system may struggle to cope with the fallout of the coronavirus – and yes, it was not in a particularly good shape even prior to this. But not only were Italian banks downgraded but I recall a Senior Director of Fitch at the time saying that even if the economy rebounds fast, there were still clear risks.

You also have countries like Greece that risk sliding straight back into a deep recession. So overall, investors do feel uneasy about the EU and US right now. Bank shares in Europe and the United States saw a very sharp repricing and decline in March 2020. Government bond yields are falling, with US corporate high yields shooting up. This all shows that investor confidence in the global financial system has been shaken.

With such a substantial socio-economic shock unfolding in front of us, the brightest of financial analysts find it hard to see how banks in the most affected European countries can maintain good assets and earnings. If repayment of loans ceases in the case of many European families – toxic assets becomes a big risk to them very quickly. Similarly, in the USA you have entire industries which are out of work presently and once people start to default on their loan payments you could see a similar situation play out with banks in America.

Q. And, on the contrary, in which banks and countries would the cash be safer?

A. Although I will say that banks in Europe and the USA do have a lot of levers to pull and financial instruments to utilize in order to keep going, these have their limits and at some point it will come back to the question of liquidity. If these banks do not have enough liquidity available to them then it starts becoming increasingly more difficult for them to maintain their obligations.

As a contrast to this, in Belize the essential bank reserve requirements are at least four to five times the reserve requirements of those in the United States for their local banks. It would be remiss of me not to provide the example of Caye International Bank, which has one of the highest liquidity ratios of any global bank, and this is currently at approximately 24%.

We are very fortunate in the sense that our liquidity far exceeds minimum requirements like those setup by Basel, and thus I believe we can easily weather this economic storm caused by COVID-19, like the bank did with the prior financial crisis in 2008.

Q. Given your wide experience in the matter, what would you recommend to our readers under today's unusual circumstances?

A. I believe that investors from all over the world gained a lot of respect for jurisdictions, like ours in Belize, where banks as mentioned before were largely untouched by the 2008 financial recession because of our liquidity requirements.

I will say that I believe that no one can accurately predict what the state of the global banking system will hold especially in Western countries going forward, but what we can see is a clear shift towards asset diversification and the start of more deposit inflow at international banks like ours, in Belize.

Manuel Barrachina,

Mundo Offshore's expert in brokerage and stock market in Panama, NTL's consultant on investment.

Q. Manuel, as a licensed financial adviser and broker what would you concentrate on in this time, what would you invest in?

A. In times like these you should first concentrate on wealth preservation, trying to catch the bottom of the market is like trying to catch a falling knife so you should make sure you hedge your bets as it were to preserve the value of your assets. Family offices often run after new opportunities when they have already made a lot of money and don't pay attention to preserving what they have. So, in the short term I would concentrate on preserving wealth.

Q. How would you do that short term you mention?

A. Each individual and family is different, but I would, in the short term, have the following portfolio:

1. I would have physical gold and precious metals as they usually rise in times of crisis and if this situation does plunge the world into a depression, gold and precious metals will hold value in the long run. But in my view, physical gold and silver is a necessity because the markets may not be able to deliver futures in gold ETFs. My suggestion is that a percentage is held in physical gold and a facility to borrow over these is negotiated.

2. Certain bonds with assured income streams and bought at a good discount would be a safe asset. These bonds will guarantee income which is what is needed in these times.

3. A large part should be held in cash in different safe banks diversified so that you can wait for the market to bottom in order to snap up distressed assets. There will be a lot of developers hurting in this period and it may represent a good opportunity for you to buy at a good price.

4. There are many family offices investment deals such as pre-IPO ventures that would be cash strapped now. You can make good returns in these times with access to the right deals.

Conclusion: The appointment of an independent and professional fiduciary who has duties towards you and your trust and is sufficiently experienced. This professional will assist you in wealth preservation rather than investing in cookie cutter back products, which is the key to the fourth flag.



THE FIFTH FLAG: THE OPERATING COMPANY (OR YOUR OWN FAMILY OFFICE)

Arguably one of the first family offices, and indeed the first creator of the Five Flag theory was the Rothschild Family. Since that time the family office concept has been abused, mystified, overcomplicated and indeed misrepresented so that no one is really clear what that actually means.



Without going into complicated explanations, we will keep it simple. A family office is a team of professionals usually located together in one company or office dedicated to managing and increasing a particular family's wealth.

Previously, everyone thought you need an asset base of 10 million and up to make it worthwhile to have a family office. However, using the above combination of the structures we have outlined, today a family office is not only affordable but even essential for families with a combined net worth of 1 million and up. You may ask what the point is and why would a family need one.

Well, the first reason is that having bankers or outside professionals manage your money and take care of your family affairs creates conflict of interests. Banks want to make money for themselves, in fact many banks are themselves someone else's family office hiding under the disguise of a private bank and are simply using your money to finance their own deals and products.

The second reason is that your team (minimally your lawyer and wealth

advisor) should be protectors or advisers that you trust. Especially if they know the family very well, these advisors can protect the family assets from gold-diggers and other unfriendly forces and make sure that members of the family don't waste or misuse the family funds.

One of the best ways to incorporate a family office is to have an operating company owned by the trust (See flag 4) and then appointing as board of directors or advisers a lawyer, a financial adviser and an accountant. These professionals can work part time or be appointed from the pool of talented experienced but semi-retired professionals in order to minimize costs. The team will then work with the family to increase and protect their wealth in a way that outside professionals will not. Further, they will not be scared to go outside bank guidelines to review things like distressed assets, cash strapped businesses needing liquidity, pre-IPO offerings and many other off-the-book deals that can bring returns of 50% and more. The family office will also have access through networking to co-investment opportunities with other families, having access to other wealthy people who are reliable and offer interesting deals.

The Family Office should be in a jurisdiction which does not tax worldwide income (or at least taxes on very preferential rates) and where there is a good banking infrastructure. Access to good professionals is also a key factor although the professionals can be from anywhere and ideally should have close relationships with you and your family. Jurisdictions for companies that are good for family office establishment include Switzerland, Singapore, Malta, Cyprus and many others.

One of the least expensive and most affordable is Panama which we will discuss in more depth below. Since the Family Office is investing the family's own money and also possibly engaging in trade and other activities, it does not need any licenses. However, some families choose to license their entities for easier access to financial markets and deals. There are many options in that regard.

The simplest structure to use is a normal operating company that does business and is a tax resident in the jurisdiction where it is registered (in other words, a company with substance) with a bank account.

The trust can own an operating company. Under the CRS rules all fiscal information of an operating company is only shared with the country of incorporation. A further advantage is that the operating company can defer issuing dividends or taking profit by reinvesting in assets or operations.

Thus, if part of your financial strategy is investing in or developing businesses that have at least 50% of their balance sheet considered as operating capital, the operating company becomes a further part of your tax optimization strategy.

In order to demonstrate how effectively this works in practice let us take the example of a Panamanian freezone company.

Under Panamanian law a company in the free zone can operate worldwide and yet

pay no tax on its foreign sourced operating income. It is not considered as an offshore company and therefore is not penalized under the offshore company regimes of Europe. It can sell services or goods or any other activities on a global scale.

The company will hold two or more accounts:

- A.** An operating account which covers its general operations, wages, office costs, turnover, etc.
- B.** An investment account in a Swiss bank for holding passive investments such as real estate, stocks, bonds, etc.

The advantage is that the operating company can virtually roll over profit forever and continually put aside funds in its investment account thus growing the value of the business. The advantages include:

- In the case of the Panama Free zone the operating company is a virtually zero tax vehicle which has substance and is not treated as an offshore entity or a tax haven company. Thus, it can be used to trade internationally with few restrictions (other free zone companies are available).
- A Swiss bank will open an investment account. One of several hedging strategies is to purchase gold and borrow against the gold investing



in bonds. Thus, you will have the opportunity to hold gold and maintain income.

- The company can own other operating or passive holding companies in different jurisdictions but be treated as a center of management of worldwide operations. This can be excellent for tax optimization purposes.
- Whilst a trust must be externally managed, the company can be

operated by you and your family as directors. This way you can maintain daily control over funds and investments without breaching any tax or CRS rules. This is because the income in the operating company is encapsulated as a corporate income and not attributed to any individual shareholder or UBO.

- The company, like the trust, obviously exists in perpetuity and can grow its wealth intergenerationally.





The classical five flags in action

Classical enthusiasts of the five flags would say you need to diversify your structures and your assets in at least five jurisdictions in order to make the structure even more stable against political and government attacks. The Rothschild family managed to survive kings and governments attacks using this method to diversify their banking and asset holdings. Very simply put here is how this would work:

A. Your family would hold Vanuatu's passports. They would own a farm there under their Vanuatu holding company held by their Nevis trust, plus some personal and corporate bank accounts sufficient as Plan B.

B. The family would have tax residency in Panama. Again, the trust, or if they prefer a Panamanian foundation, would hold a company that has some brokerage accounts which holds various investments and possibly some physical gold.

C. The trust registered in Nevis, of which the settlor would be the family founder and the beneficiaries would be the family

members, will have a financial wealth adviser and lawyer as protectors.

D. The trust would own 100% of a family office operating company of which the advisor and lawyer would be directors. Then they can have various diversified holdings in various asset classes worldwide.

The structure which has been developed together with one of Mundo's experts, NTL, is called Forever Free and it has been designed to withstand global crises such as depression and coronavirus pandemics. The Forever Free package is the ideal Plan B strategy.

Whilst the principles of the Forever Free structure are eternal, the details are carefully worked out in accordance with your personal circumstances so that each structure is carefully tailored to meet you and your family's requirements. Because the structure is elegantly simple, yearly maintenance fees are surprisingly low. There is no charge for the quantity of assets or funds in the structure even if we provide a trustee service. In this way, we comfortably work with your existing asset manager, custodian or bank.

Private wealth club – Mundo Offshore’s Family Office investments

Once you have worked with us on Forever Free your family or family office holding will be invited to join our Elite Club of Family Offices and UNHWI. The Club presents the opportunity to co-invest with family office projects carefully selected for their reputation and reliability.

These projects range from organic farming communities, free zone parks, cryptocurrency projects and funds, and much more. Club members will be able to

personally meet the founders and major stakeholders to form strategic investment alliances.







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