

GUAM USA

YOUR BUSINESS
SMART
DESTINATION

Guam Trust Program

In an effort to diversify Guam's economy and enhance its potential as a financial services center in the Asia-Pacific region, the Guam Legislature enacted Public Law 24-266, Public Law 25-08 and Public law 25-73 which combined is known as the "Guam Trust Incentives Act". These statutes established the mechanism for the creation and regulation of trust companies in Guam.

To further strengthen and protect its new Trust Industry, Public Law 25-149 and Public 25-150 were adopted into law in July 2000 which clearly defined the domesticity of a Guam based Trust and provided for the mutual exclusivity of benefits under the Guam Trust Incentives Act and the Guam Foreign Direct Investment Act (US Federal Law 107-212).

Highlights of Guam's Trust Incentives Program:

ELIGIBILITY: (12 GCA, Div. 2, Chapter 58, §58128.6(a) (i) (ii) & (iv))

- A Guam-based Trust is a Guam Domestic Trust under the Guam Trust Incentives Act, and a US Domestic Trust under the provisions of Sec. 301.7701(c)(4)(ii)(d).
- An arrangement created by will or by an inter vivos declaration whereby a trustee or trustees take title to property to protect or conserve the same for a beneficiary or beneficiaries of the trust under probate or chancery court rule.
- Guam is the principal place of administration of the trust, and for trusts with USA fiduciaries, a choice of laws election can be made for primary jurisdiction to be under the Federal district Court of the elected state
- The trust property is not employed directly or as shareholder, in a business for the settlor or the beneficiary
- Trust departments of duly registered and licensed banks in Guam may also apply for benefits on behalf of their Guam-based Trusts clients.

DEPOSITORY REQUIREMENTS: (12 GCA, Div. 2, Chapter 58, §58128.6(a)(iii))

- A minimum of Ten Thousand Dollars (\$10,000) in US currency remains in deposit at a local financial institution for the duration of the trust

TAX INCENTIVES: (12 GCA, Div. 2, Chapter 58, §58128.6(a)(b))

Tax benefits: issued by the Guam Economic Development & Commerce Authority

- 100% Rebate of all Income Taxes paid by a Guam-based Trust on all its earnings from either inside or outside of Guam, including all income derived from investing funds on Guam or elsewhere for a period of 20 consecutive years. Guam must be principal place for administration of the trust.
- 100% Rebate on income tax withheld from the non-resident beneficiaries of a Guam-based Trust on the payments or distributions made to such beneficiaries from such a Guam –based Trust for a period of 20 consecutive years.
- Tax benefits under the program maybe renewed for additional periods of 20 years at the conclusion of the first or later periods, so long as the Guam-based Trust remains in good standing under the program rules and regulations and the laws of Guam.
- The income tax payments made by a trust who is a beneficiary of GEDCA tax incentive program (“Qualifying Certificate Program”) shall be returned to the respective trust at the completion of a 180 day period from payment date without interest (11GCA, Div. 2, Chapter 160, §160311)

FEES: (12 GCA, Div. 2, Chapter 58, §5813)

- QC application fee \$750
- Annual surveillance fee \$2,000

**For more information, please contact:
The Guam Economic Development and Commerce Authority**

ITC Building, Suite 511
590 South Marine Corps Drive
Tamuning, Guam 96913



Tel: (671) 647-4332
Fax: (671) 649-4146
e-mail: help@investguam.com
or visit www.investguam.com