

What are the advantages of setting up your own charitable foundation?

There are several advantages which can be gained by setting up a charitable foundation.

Experience has shown that the **inheritance problem** is the most important argument in favour of setting up a foundation, whether during one's lifetime or as a result of death. If the founder has no children or does not wish to take them into account beyond the statutory portion, he can regulate the estate through his own foundation in an ideal way, as it receives both the assets and the name of the founder.

In addition, the **tax advantages** offered by charitable foundations during their existence should be mentioned, as these are tax-exempt in most countries. This also applies to the transfer of assets from the founder to the foundation as both during their lifetime and in the event of death no gift or inheritance taxes are payable. Anyone who transfers their assets or part of their assets to a foundation is potentially not taxed for this.

Securing one's own assets is another important argument, especially for the older generation. Those who have worked hard all their lives want their assets to be preserved and neither reduced by a corresponding tax burden nor "squandered" by distant relatives or acquaintances.

These considerations also apply to all types of collections that the founder can contribute to his foundation and thus preserve, protect and, under certain circumstances, expand and supervise. A not insignificant advantage of a foundation is the **active organisation of the evening of life**. For example, a foundation offers an ideal field of activity for all those who want to retire from active professional life but have concerns about the "threatening" leisure time.

Especially in this scenario, where they can actively participate in the foundation, many founders are very satisfied. In this case, the founder knows how the foundation's funds are used, who is specifically supported, and how **control** is to take place, which will always be an important argument, especially for (former) entrepreneurs.

Another advantage to be mentioned can be the **preservation of one's own name**. When naming the foundation, the founder has the greatest possible freedom, so that they can of course put their name on the foundation and thereby achieve a degree of immortality.

Frequently, however, foundations are only established in order to express one's **gratitude** for a happy and successful life. These people are aware, for example, that they have lived their lives under very good conditions or that happiness has always been on their side. At the same time, however, they recognise that many people have not experienced the same happiness and good fortune.

Carey AG supports you in setting up and supporting YOUR foundation and would be happy to hear from you.

Summary in key words:

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| <ul style="list-style-type: none"> • Solution of the succession problem | <ul style="list-style-type: none"> • Expression of one's own gratitude | <ul style="list-style-type: none"> • Preservation of personal values |
| <ul style="list-style-type: none"> • Tax advantages | <ul style="list-style-type: none"> • Securing one's own assets | <ul style="list-style-type: none"> • Active shaping of the evening of one's life |
| <ul style="list-style-type: none"> • Preservation of life's work | <ul style="list-style-type: none"> • Preservation of one's own name | <ul style="list-style-type: none"> • Control over the use of foundation funds |