

Madeiran Offshore Trusts (IBC Regime)



Madeiran offshore trusts offer a streamlined and tax efficient solution for international clients seeking to place non Portuguese assets into a secure, compliant and well-regulated structure.

Structured within the Madeira International Business Centre (IBC), these trusts benefit from a favourable fiscal environment and provide an attractive option for cross border wealth structuring, succession planning and asset protection within an EU jurisdiction framework (Portugal) operating under the IBC regime.

Under this regime, international clients may establish and maintain an offshore trust on a tax-neutral basis for Portuguese purposes, provided that all statutory offshore conditions are met, including that all trust assets are located outside Portugal, all income is sourced abroad, and neither the settlor nor the beneficiaries are Portuguese residents. If any of these conditions are not met, Portuguese taxation may arise (for example, trustees taxed as if legally and beneficially entitled).

Note: Portugal, as a civil law jurisdiction, has no general domestic trust law; the Madeira IBC regime is the special case that allows the creation of offshore trusts adopting foreign law.



Key benefits of Fairway Madeira Trustee Services:



Ability to integrate trusts into Portuguese-adjacent planning

Madeira allows international clients to integrate trust structures into Portuguese based planning arrangements while keeping the trust itself non resident.



Ability to Use International Trust Structures in Portugal

Clients can hold Madeira IBC companies through existing foreign trusts (such as Jersey, Guernsey, Cayman or other common law trusts) without the need for restructuring.



Tax Efficient Corporate Structuring

Trusts may own Madeira IBC companies that benefit from the reduced corporate tax regime, subject to applicable substance requirements.

No Portuguese tax arises solely as a result of holding shares in an IBC company, as the trust is treated as a non resident shareholder for Portuguese tax purposes, provided offshore conditions continue to be satisfied.

Important limitation: Foreign trusts cannot directly hold Portuguese-situs assets or shares in ordinary Portuguese companies (such as Lda or SA entities). The Madeira IBC framework is the permitted channel for trust-owned corporate structures, subject to offshore conditions.



Confidentiality with Regulatory Compliance

Beneficial ownership information is disclosed only to the relevant regulatory authorities, in line with AML, CRS, and FATCA obligations and is not available for public inspection, balancing privacy with transparency.

Trustees may appear as registered shareholders while meeting international compliance standards, including AML, CRS, and FATCA obligations.



Continuity and Estate Planning

Trust owned Madeira entities support long term succession planning and help preserve continuity of ownership, assisting in ring fencing assets from probate, family disputes and jurisdictional risks.



International Credibility and Legal Security

Combines the flexibility of common law trust structures with EU and Portuguese regulatory stability, and the fiscal incentives of the IBC regime within a single, robust framework.





Key aspects of Madeira Trustee Services:

- The Madeira IBC framework expressly permits the use and recognition (for IBC purposes) of foreign trusts governed by established common law jurisdictions including Jersey, Guernsey, BVI, Cayman, Isle of Man, and the UK.
- Madeira offshore trusts are constituted under DL 352 A/88 & DL 149/94, and the trust deed must stipulate a foreign proper law for validity, interpretation and administration (with the ability to change it).
- The IBC regime permits trust ownership of Madeira companies to be formally recorded within the corporate registry.
- Trustees, whether corporate or individual, are fully recognised as valid shareholders of IBC entities.

Where a pre-existing foreign trust is used, the trust continues to be governed by the law of the jurisdiction in which it was originally established.

Madeira's role is to recognise the trust for IBC corporate ownership, compliance, regulatory interaction purposes only, without altering its legal character.

- The IBC registry records trustees as shareholders without publicly disclosing beneficiary information, preserving confidentiality while meeting international AML and transparency standards.

Jersey | Dubai | Kuwait | Singapore | Madeira



To speak with a member of the team, please contact us at: madeira@fairwaygroup.com



For more information please visit: fairwaygroup.com

Why Fairway

Fairway Group is an award winning independent fiduciary group recognised for its expertise and client centric approach. We combine deep industry knowledge with a commitment to provide tailored solutions that meet the complex and evolving needs of our international client base.

Our local presence in Madeira ensures close engagement with regulatory authorities, up to date guidance on the IBC framework and proactive support, enabling us to deliver a highly responsive and personalised service.



Get in touch

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