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While off shore banking may seem like something only those who seek to evade taxes and launder money might be interested in, the fact is, having a bank offshore can be a very real way to protect assets, get a bigger return on investments, and yes, legally save money on taxes.

Depositing or investing through a bank outside of your country of residence is engaging in offshore banking. There is nothing illegal about using offshore bank accounts. No one is arrested for having an offshore bank account. What can be illegal is using the offshore accounts for illegal operations or taking advantage of the fact that banking offshore means the banks do not report interest gained on your accounts to the government and not reporting it yourself.

There are many legitimate uses of an offshore bank account linked with an offshore IBC or international business corporation involved in international trade, investment activities and overseas business online. An offshore company is involved in owning real property, intellectual property, licensing and franchising, buying and selling goods. In short, an offshore corporation is involved in conducting business while forming offshore company incorporation in a country where there is little or no taxation.

In some cases, the off shore trust can be used as protection from creditors, tax authorities and other interested parties. One of the benefits of using a bank offshore is that all operations conducted through the account is protected by the privacy legislation of the country in which the bank resides.

In the case of a bankruptcy, lawsuit or divorce, there is no guarantee that an asset protection trust will save your assets since in some countries you must legally declare any amount over \$10,000 in an offshore bank account. However, if it is not declared, the offshore banks are not going to be giving out that information and limits your creditor's or your spouse's access to such accounts. Even though your funds may remain free, if accused of a crime, like tax evasion or contempt of court for example, you may still face criminal charges.

In addition offshore asset protection, an offshore account offers opportunities for its users not offered by domestic banks: a way to diversify money into different currencies, a chance at a higher interest on savings or a greater return on investment. Many of the offshore bank account centres are located in developing countries where investing in the local economy offers money making opportunities not as available in more developed countries. Offshore company formation, whether it be as an LLC or IBC are usually formed in one of the offshore banking centres that are at the same time low or no tax jurisdictions. Depending on the jurisdiction, incomes may be exempt from all taxes or just those incomes generated by sources outside the jurisdiction. However, even though the jurisdiction your company is in does not tax your company's income, your home country may tax foreign generated income and if you do not report it, it will be considered tax evasion.

As a means of conducting international business, getting greater returns on investment, taking advantage of tax savings and asset protection, banking offshore is becoming more and more popular particularly with large corporations seeking to reduce their tax bills while seeking to expand their global holdings. While offshore accounts are not just for the very wealthy and offshore companies since accounts can be opened for as little as \$1000 in some offshore accounts, corporations of the wealthy are by far the holder of the majority of the offshore bank accounts, since they have more incentive and means to benefit the most from off shore banking.

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