

— GLOBAL STRUCTURES / COMPLIANCE PHYSICS

# Jurisdictional Arbitrage: *Substance* Over Stamps

Moving a box on a chart does not move risk. Regulators read icebergs; your map should too.

SYSTEM ARCHETYPE 036

## Jurisdiction / *Nexus* /

Jurisdictional arbitrage aligns entities and contracts with tax, liability, and operational reality across legal systems. It requires boundary critique, dynamic complexity discipline, and sensitivity to law and rate

paths—stacked with trusts and holding companies only when each layer owns a decision.

# 1. Jurisdiction as *Parameter*, Not a Sticker

**Jurisdictional arbitrage** is the deliberate placement of entities, contracts, and custody across legal systems to align with tax, liability, and operational reality. It is not a postcard from Monaco; it is substance, reporting, and often uncomfortable travel math.

Regulators read the story the way the Iceberg Model demands: the visible move is a new entity; the underwater story is where decisions occur, where risk sits, and where economic activity genuinely lives.

*"A flag without a desk is cosplay with filing fees."*

## 2. Nexus, *Substance*, and Reputation Risk

States and nations compete for coherent systems; they punish incoherent ones. Map boundaries between personal presence, operating payroll, and corporate seat—then fund the compliance spine that matches the map.

## 3. Coupling and *Complexity*

Each new jurisdiction adds dynamic complexity: reporting calendars, treaty positions, and bank onboarding friction. Modular design isolates failure so one regulator's letter does not freeze the entire graph.

JURISDICTION DECISION SHEET

01

### Name the economic center of gravity

Where do people work, where does cash settle, where is risk borne?

02

## List filing and disclosure duties

Corporate, personal, CRS/FATCA-class questions—calendar them, do not improvise.

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03

## Banking and custody reality

Which institutions will actually onboard the structure as drawn—not as imagined?

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04

## Stress with system sensitivity

Law changes, treaty shifts, rate moves—run three futures before you wire.

# 4. Trusts, HoldCos, and *Layering*

Stack trusts and holding companies only when each layer owns a decision. Layers that exist for mystique become entropy.

## 5. Ethics and *Long Arc*

Arbitrage that crosses the line into concealment destroys optionality. Build structures you can explain to a judge and a grandchild with the same deck.

Build the *lattice*, not the legend.

Return to the Reading hub for essays, tools, and the rest of the 100-topic map.

