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The trusted solution in wealth structuring

International trusts

Trusts have been a key component of effective tax and estate planning for a number of generations, and continue to provide advantages that are difficult to equal.

The trust concept

With a thousand years of history, the trust is a cornerstone of succession and estate planning for wealthy families.

The trust is flexible enough to meet most clients' needs, with any number of themes and variations available in response to what its creator - or settlor - wants to achieve.

First and foremost, the purpose of a trust is to ensure that the assets settled into it are preserved and enhanced, so far as reasonable, for the benefit of the people or purposes for which the settlor wishes to provide.

Whilst the majority of trusts are established for the benefit of the settlor and his immediate family, the trust concept is flexible enough that it can be used to benefit charities or even for commercial purposes.

Whatever the purpose of the trust, the responsibility for ensuring that the settlor's intentions in creating the trust are fulfilled rests with the trustee, a duty for which the trustee will be accountable to the beneficiaries and, ultimately, the courts.

As a fiduciary specialist, Nerine has the experience required to ensure that the trusts we administer are fit for our clients' purposes, and the expertise to ensure that we are able to meet our responsibilities to the beneficiaries for whose benefit the trust was established.

Our clients accept that, whilst creating a trust does mean a loss of control over the assets in the trust, the relationship they have with us is a strong and rewarding partnership. The trust ensures that wealth is safely passed down the generations, and we never lose sight of the needs and aspirations of the settlor whose legacy the trust was designed to preserve.

Why use a trust?

When you come to us, you may have a number of concerns that will suggest that a trust is the most appropriate vehicle for you. Whilst all of the reasons for using a trust are too numerous to list entirely, they may include one or more of the following:

- You want to ensure that the assets in the trust remain outside your estate
- You are looking to mitigate direct taxes or inheritance taxes
- You are concerned to ensure that there is an efficient transfer of assets on your death to the next generation
- You want to make sure that the family business carries on after you've gone

- You are concerned that the laws of your country of residence and/or domicile (known as forced heirship laws) restrict your freedom to pass on wealth to whoever you choose
- You are worried that political and/or economic events will affect the security of his wealth
- You have a legitimate desire to keep details of your wealth confidential

Forms of trust

The trust is flexible enough to come in a variety of forms, giving the trustee different powers and responsibilities over the capital and income held.

The most common form used offshore is the discretionary trust, which gives the trustee complete flexibility in terms of how the trust's assets are invested, who benefits from the trust, by how much and when. In other cases, the trustee may only have powers over investment and capital, and are required to pay trust income to you or whoever is named in the trust deed as the income beneficiary.

Obviously, these are significant powers, and we don't make those decisions without regard to your wishes. We will work with you to ensure that we have a proper record of what those wishes are, ensuring that even after your death, the trust will continue to fulfil its purpose.

Sometimes, you may want to retain certain powers to yourself (or give them someone other than the trustee). Guernsey, and many other jurisdictions, allows for the creation of reserved powers trusts that permit this, and we can work with you and your advisers to provide for this. It is important to note that there may be tax and legal consequences of reserving powers, and we can help you appreciate what those are.

Some trust jurisdictions have developed a specific legislative framework designed to give settlors even more control over trust assets. The British Virgin Island's VISTA trust regime is one of the most popular and successful examples of this, and with a full service operation in the British Virgin Islands, we are adept at designing and delivering VISTA trust structures for our clients.