



Schweizerische Treuhandgesellschaft  
Société Fiduciaire Suisse  
Swiss Trust Company

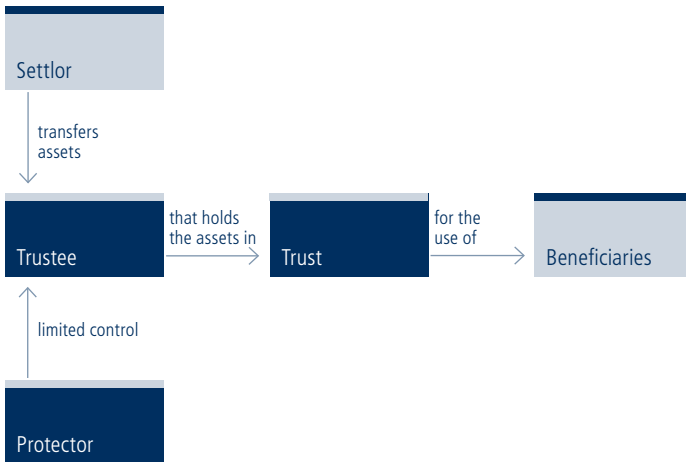
# DATA CARD 2010

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The Trust

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Trusts are outstanding succession planning instruments with a high potential to offer asset protection, preservation and enhancement of assets over generations, and very often tax optimization. The Trust developed in England since the Middle Ages. It is a legally binding arrangement, whereby the «Trustee» becomes the legal owner of assets transferred to them by the «Settlor» (the person establishing the Trust) for the benefit of others, known as the «Beneficiaries».



## The basic component parts of a Trust set up by STG

- **Settlor**  
Usually one or two individuals (but it can be also a company)
- **Trustee**  
A corporate Trustee belonging to the STG group. Our Trustees are incorporated under the laws of the British Virgin Islands or New Zealand.
- **Beneficiaries**  
Any legal persons (including companies). It is not uncommon for the Settlor to be included in the class of Beneficiaries.
- **Protector**  
A person empowered to consent to or veto the proposals made by the Trustee in relation to its administration of the Trust. A Protector is optional but increasingly common.
- **Trust Assets**  
Any assets that can be held by any individual or corporate person with full legal capacity including bank accounts, companies with or without bank accounts, real estate, yachts, gems etc.
- **Legal and Tax Advice**  
Setting up a Trust will almost certainly give rise to tax implications depending on the tax residence of the Settlor, the type of Trust used as well as the jurisdiction of the Trust. It is therefore very important comprehensive advice is obtained and followed. Depending on where they have their tax residence distributions to Beneficiaries can also create tax liabilities and advice has to be taken before these are made.

## Ownership

Although the Trustee is the legal owner of the assets transferred by the Settlor, the Trustee may use these assets only for the benefit of the Beneficiaries who are the beneficial owners of the assets. A principal rule of Trust law is that the Trustee has to keep these assets separately from any personal assets and must consider the interest of the Beneficiaries at all times when administering the Trust. This fact may serve the Beneficiaries as additional comfort.

## Use of Trusts

- **Succession planning**

Avoidance of time consuming probate procedure. Keeps the family assets together in one ownership enabling them to be protected and professionally managed. The preservation of wealth over several generations is possible.

- **Asset protection**

For spendthrift Beneficiaries or Beneficiaries sought out by creditors.

- **Tax planning**

Tax optimization by applying the advantages of different tax systems.

## Basic types of Trusts

- **Fixed interest Trust**

This type of Trust gives no discretion to the Trustee in deciding how, when or to whom they should distribute the income or assets. As the name suggests the details of who should benefit and the respective interests of the Beneficiaries will be fixed in the Trust Deed.

- **Discretionary Trust**

More commonly used is the discretionary Trust that gives the Trustee discretion to exercise their own judgment as to who shall benefit and the manner of the benefit, the amount and the timing of the benefit. The Deed will usually name the potential Beneficiaries or define them by reference to a class or group of persons. It is usual for the Trustee to be guided by the Settlor or by someone he appoints who may communicate his wishes to the Trustee.

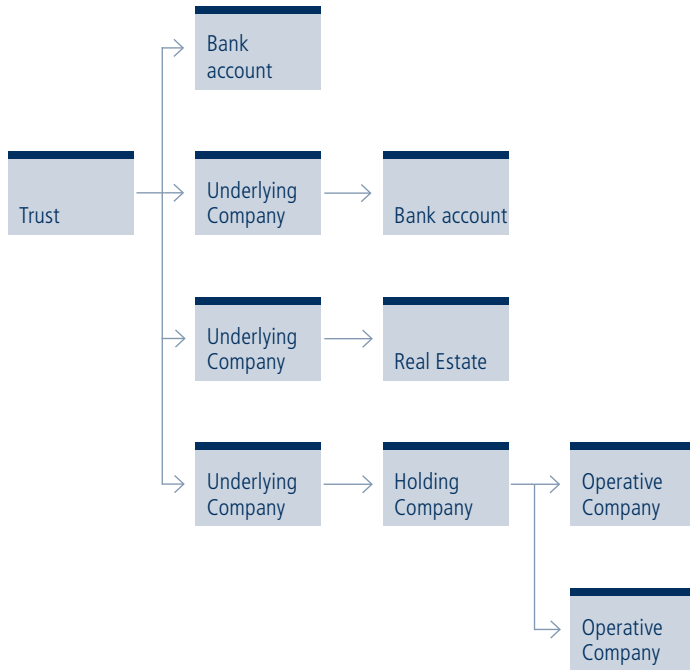
- **Revocable Trust**

Settlor has power to partially or totally revoke the Trust.

- **Irrevocable Trust**

Settlor may not revoke the Trust.

## Variety of Asset Holding



## Formalities

Signing of:

1. Trust Settlement
2. Fee letter
3. Discharge letter
4. BO Form
5. Endowment Letter

Issue of a passport copy

## Jurisdictions

Trusts are well established instruments in Common Law Countries. The choice of the suitable jurisdiction depends on the Settlor's needs and the place of his and the Beneficiaries' residences. With our main offering of British Virgin Islands and New Zealand Trusts we have chosen two jurisdictions both with a sound Trust industry and a good reputation.

# Swiss Trust Company

## Sites

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