



OPTIMUS

What is a Trust?

A trust is a private legal arrangement where the ownership of the assets of one person, the "settlor", are transferred to someone else, the "trustee", who is responsible to hold and administer the specific assets to benefit a third person, the "beneficiary".

Characteristics of a Trust

The assets constitute a separate fund and are not part of the trustees own estate.

The legal title of the assets stands in the name of the trustee.

The trustee has the power and duty, in respect of which he is accountable, to manage, employ or dispose of the assets in accordance with the terms of the trust and the special duties imposed on him by law

Parties

A trust is a legally created entity designed for the protection, growth, and distribution of assets. There are three different roles in a trust. Each role in a trust comes with different responsibilities and expectations that must be followed in order for the trust to succeed.

Settlor

The settlor is the person who establishes the trust. In other words it is the settlor who selects the initial trustee, establishes the terms of the trust, and typically transfers money or other property to the trustee to hold, manage and distribute according to those terms.

Trustee

Once the trust is established, the trustee takes over the care of the trust. The trustee is a person specifically named by the settlor to care for and expand the assets of the trust. The trustee has the right to do whatever is necessary with the assets to grow the trust. The trustee must act prudently with the trust funds.

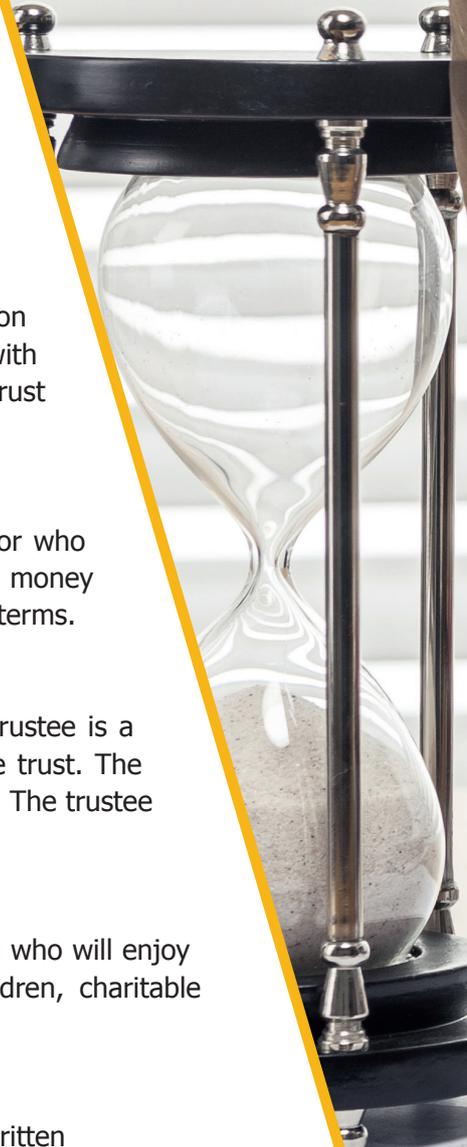
Beneficiary

The Beneficiary is the reason you set up your Trust. Your Beneficiary is the person who will enjoy the benefits of your Trust assets. They can include, wives, children, grandchildren, charitable organisations of every variety.

Typical Trustee Powers

The powers and duties of a Trustee are primarily determined by the terms of the written trust deed and the laws of the jurisdiction in which the trust is being administered.

First and foremost among a Trustee's duties is to hold, manage, and care for the property of the trust for the sole benefit of the beneficiaries of the trust under the terms of the trust deed.





OPTIMUS

A Trustee has wide powers stated within the trust deed and below are some examples:

- power to add or remove beneficiaries;
- power to make trust distributions;
- power to appoint an agent or adviser either generally or in relation to specific matters;
- power to invest in wide range of assets i.e. property / chattels / investment portfolios
- power to appoint replacement protectors; and
- power to terminate the trust or approve the termination of the trust
- power to remove and appoint trustees;
- power to approve a change of proper law

As an addition the settlor can appoint a Protector to the trust.

Protector

When a protector is appointed the core of the trust structure remains the same: the settlor creates the trust by transferring the legal interests in assets to trustees, who hold and dispose of those assets in accordance with the provisions of the trust instrument (Deed) for the benefit of the beneficiaries.

A definition of a protector states that: The control of the trustees may, under the terms of the trust, be subject to fiduciary or personal powers vested in another person who may sometimes be expressly designated a 'protector'.

Contact us

Gill Titley - Senior Client Manager

E gill@ofl.co.im

T +44 1624 695560

Optimus Fiduciaries Limited, St Mary's, The Parade, Castletown, Isle of Man IM9 1LG
www.optimus.co.im