

# Trust Deed

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# The Excluded Property Trust Deed

## Introduction

The Excluded Property Trust is intended for non-UK domiciled individuals who wish to transfer ownership of an asset but who also want to retain the facility to benefit from it should they wish to in the future.

The Excluded Property Trust allows the Settlor to provide for a broad range of Beneficiaries. Although it is the Trustees that have absolute discretion over who benefits they will normally in practice take account of the wishes of the Settlor. This Trust can meet a number of objectives, including succession planning and the mitigation of UK inheritance tax.

The Trust is suitable for individuals who are non-UK domiciled for inheritance tax (IHT) purposes who wish to minimise any potential UK IHT.

Even though the Settlor is included as a potential Beneficiary, the Excluded Property Trust is still effective at reducing UK Inheritance Tax.

The Trust wording is provided as a draft for consideration only. Individuals should take professional advice before taking or refraining from a particular course or action. In particular, Friends Provident International Limited does not accept any legal responsibility for the efficacy or tax consequences of the Trust wording.

## Declaration of trust

This is the date from which the Trust is to take effect. No date should be inserted for trusts of new policies. For existing policies insert the date you sign this Deed.

The name and address of the Policyholder should be inserted here. The Policyholder will be regarded as the Settlor of the Trust. The Settlor is automatically included as Trustee.

The name and address of each Trustee should be inserted here. It is recommended that at least two Trustees or a trust corporation be appointed. Please also note proof of identity will also be required for all Trustees, i.e. passport, plus confirmation of each Trustee's residential address, i.e. utility bill.

**THIS SETTLEMENT** is made on the  day of  in the year

**(A) BETWEEN**

of

("the Settlor") of the one part and

**(B) THE SETTLOR AND**

of   
and   
of   
and   
of   
and   
of

("the Original Trustees") of the other part

**WHEREAS** the Settlor has transferred the policy(ies) detailed in the Schedule below to the Trustees to the intent that the same will forthwith be held by the Trustees upon the trusts and subject to the powers and provisions hereinafter mentioned:

### 1. Definitions

- (1) In this deed the following terms shall where the context so admits have the following meanings:
- (A) "this Settlement" means the settlement created by these presents
  - (B) "the Trustees" means the Original Trustees or the Trustee or Trustees for the time being hereof
  - (C) "the Trust Fund" means the policy(ies) described in the Schedule hereto the full benefit thereof and any assets at any time added thereto by way of further settlement capital accretion accumulation of income or otherwise and all assets from time to time representing the same and includes where the context so admits any part or parts thereof
  - (D) "the Income" means all of the income arising from the assets from time to time comprised in the Trust Fund and references in this deed to "the Income" shall (without any allocation or apportionment in favour of the Settlor) extend to any dividends or other income now accrued or accruing but not yet actually payable in respect of any property transferred by the Settlor to the Trustees
  - (E) "the Trust Period" means the period of one hundred and fifty years from the date hereof which period and no other shall be the perpetuity period applicable hereto

## Declaration of trust (continued)

### 1. Definitions (continued)

- (F) Subject to clause 3 “the Beneficiaries” means
- (1) the Settlor
  - (2) the spouse for the time being of the Settlor and any former spouse of the Settlor
  - (3) the widow or widower of the Settlor
  - (4) the children and remoter issue of the Settlor and
  - (5) every husband or wife (whether present or future) of any such child or remoter issue and every former husband or wife (whether present or future and whether or not for the time being remarried and whether the marriage has been dissolved or ended on death) of any such child or remoter issue, and
  - (6) any Charity
  - (7) anyone or more persons or class of persons beneficially entitled under the Will (or any codicil or codicils thereto) of the Settlor at the time of his death or who if the Settlor died or had died intestate is or would be entitled to or to an interest in the estate of the Settlor under the rules relating to intestacy at the place where the Settlor died domiciled
  - (8) Any individual or class of individuals who may have been added to the class of beneficiaries by the exercise by the Settlor of the power contained in subclause 3(3) of this deed
- (G) “Charity” means any trust foundation company or other body (corporate or unincorporate) for the time being in existence and established for purposes recognised as charitable by the law of the Isle of Man
- (1) “Trust Corporation” has the meaning assigned to that expression in Manx law and unless the context otherwise requires the singular shall include the plural and the masculine the feminine and vice versa
  - (2) The headings to this deed are inserted only for reference to the provisions hereof and shall not affect the construction of such provisions

### 2. Apportionment and proper law

- (1) The statutory and equitable rules of apportionment shall not apply to this Settlement and accordingly all dividends and other payments in the nature of income received by the Trustees shall be treated as accruing at the date the same becomes payable whether or not such dividends or payments shall have been earned wholly or partially in respect of a period prior to the date on which the same becomes payable
- (2) The proper law of this Settlement shall be that of and the construction and effect of this Settlement shall be subject to the jurisdiction of and construed according to (subject and without prejudice to any change made under the power conferred by clause 5 of this Deed in the proper law of this Settlement and the jurisdiction according to the laws of which the construction and effect of this Settlement are to be subject) the law of the Isle of Man
- (3) The forum for the administration of this Settlement shall (subject and without prejudice to any change made under the power conferred by clause 5 of this Deed in the forum of administration of this Settlement) be the Courts of the Isle of Man

### 3. Alteration of class of beneficiaries

- (1) The Trustees may at any time (but during the Settlor’s lifetime only with his prior written consent) during the Trust Period in their absolute discretion by deed or deeds revocable (whether or not by the Trustees making such deed or deeds) during the Trust Period or irrevocable exclude any person or class of persons from being a Beneficiary under this Settlement for the purpose of all or anyone or more of the provisions of this Settlement as from the date of that deed and any person so excluded shall from that date not be a Beneficiary of this Settlement within the meaning of subclause 1(1)(F)

## Declaration of trust (continued)

### 3. Alteration of class of beneficiaries (continue)

- (2) Any person who is a Beneficiary under this deed and who is not a minor shall be excluded from being a Beneficiary for the purpose of all or anyone or more of the provisions of this Settlement if he notifies any Trustee in writing that he wishes so to be excluded and he shall accordingly cease to be a Beneficiary of this Settlement within the meaning of subclause 1(1)(F) as from 96 hours after the notice was put into the post properly addressed and stamped or as from the date it was received by the Trustee whichever is earlier
- (3) The Settlor at any time during the Trust Period may by deed or deeds direct that any person or persons or class of persons shall be added to the class of Beneficiaries for the purpose of all or any one or more of the provisions of this Settlement as from the date of that deed and any person so added shall from that date be a Beneficiary of this Settlement within the meaning of subclause 1(1)(F)  
PROVIDED THAT no person who has been excluded from being a Beneficiary under subclause 3(1) or 3(2) above may be added to the class of Beneficiaries Dispositive Powers and Beneficial Trusts

### 4. Dispositive powers and beneficial trusts

- (1) The Trustees shall stand possessed of the Trust Fund and the Income on such trusts and in such shares and proportions and with and subject to such charges powers and provisions for maintenance education advancement or otherwise in favour or for the benefit of all or anyone or more exclusive of the others or other of the Beneficiaries as the Trustees (being at least two in number or a Trust Corporation) shall in their absolute discretion by deed or deeds revocable by the Trustees (whether or not the Trustees making such deed or deeds) or irrevocable appoint during the Trust Period (regard being had to the law relating to remoteness) but so that any revocable appointment not revoked at the end of the Trust Period shall become irrevocable on that date and (without prejudice to the generality of the foregoing) in any such deed or deeds the Trustees may:
  - (a) create protective or discretionary trusts or powers for the accumulation of income operative or exercisable at the discretion of any person or persons corporation or corporations in any part of the world;
  - (b) delegate in any manner and to any extent to any person or persons corporation or corporations the exercise at any time or times during the Trust Period of this power of appointment;
  - (c) generally make or confer in favour or for the benefit of all or any of the objects of this power of appointment all such dispositions charges or powers of or in relation to the Trust Fund and the Income or any part or parts thereof respectively as an absolute owner could lawfully make or confer of or in relation to any property belonging to him beneficially (regard being had to the law relating to remoteness)PROVIDED ALWAYS that no appointment made under this subclause 4(1) shall invalidate any prior payment or transfer of the Trust Fund or the Income or any part or parts thereof made under any other power or powers conferred by this Settlement or by law or made pursuant to any previous appointment made under this subclause
- (2) In default of and until and subject to any and every appointment made under subclause 4(1) the Trustees shall have power to accumulate all or any part of the Income by investing it and adding the accumulation to the capital of the Trust Fund
- (3) The Trustees shall during the Trust Period have power to exercise the powers contained in
  - (a) Section 31 of the Trustee Act 1961 as if the words "may in all the circumstances be reasonable" had been omitted from paragraph (i) of subsection (l) thereof and in substitution there had been inserted the words "the Trustees may in their absolute discretion think fit" and as if the proviso at the end of subsection (l) thereof and in substitution there had been inserted the words "the Trustees may in their absolute discretion think fit" and as if the proviso at the end of sub section (l) had been omitted there from
  - (b) Section 32 of the Trustee Act 1961 as if the words "one half of" were omitted from proviso (a) to subsection (l) thereof

## Declaration of trust (continued)

### 4. Dispositive powers and beneficial trusts (continue)

- (4) The Trustees may during any part or parts of the Trust Period permit any of the Beneficiaries (either alone or concurrently or successively) to occupy use or enjoy personally any moveable or immovable property (including any dwelling-house) which (or the future proceeds of sale of which) may for the time being be comprised in the Trust Fund upon any terms or conditions (if any) that the Trustees may think fit but such permission shall in each case be revocable at any time by and at the absolute discretion of the Trustees
- (5) The Trustees may during any part or parts of the Trust Period lend with or without security any part or parts of the Trust Fund to any Beneficiary upon such conditions as to interest (if any) and repayment thereof and for such period and generally upon such terms as the Trustees in their absolute discretion think fit
- (6) The Trustees may during any part or parts of the Trust Period as they in their absolute discretion think fit and on such terms as they deem to be appropriate apply the Trust Fund or any part or parts thereof in securing the payment of money owed by any Beneficiary or the performance of any obligations of any Beneficiary and to give any guarantee or to become surety for any Beneficiary and for these purposes to mortgage or charge any investments or property for the time being forming part of the Trust Fund or to deposit or transfer any such investments or property with or to any person firm or company by way of security
- (7) Notwithstanding the trusts powers and provisions hereinbefore contained (but subject as is provided in subclause 4(8) of this settlement) the Trustees shall have power during the Trust Period to pay or transfer the whole or any part or parts of the Trust Fund to the Trustees for the time being of any other trust wheresoever established or existing and whether governed by the laws of England and Wales or by the law of any other state or territory under which anyone or more Beneficiaries are interested to the intent that the said whole or part or parts shall be freed from the trusts of this Settlement and the Trustees may exercise the power conferred by this subclause notwithstanding that such other trusts may also contain trusts powers and provisions (discretionary or otherwise) in favour of some other person or persons or objects if the Trustees shall in their absolute discretion consider such payment or the transfer to be for the benefit of such one or more Beneficiaries
- (8) For the purposes of this subclause and subclause 4(7) hereof the word "Trust" shall mean any trust created by any settlement declaration of trust will or codicil or other instrument under the law in force in any part of the world and a person shall be deemed to be interested under a trust if any capital or income comprised in the Trust is or may become liable to be transferred paid applied or appointed to him or her or for his or her benefit either pursuant to the terms of the Trust or in consequence of an exercise of any power or discretion thereby conferred on any person and:
  - (a) The provisions of subclause 4(7) shall have effect notwithstanding any rule law or equity restricting the delegation of a power or discretion
  - (b) No power conferred by subclause 4(7) shall be exercised in such a way as to infringe any rules against perpetuities applicable hereto
  - (c) No exercise of the powers contained in subclause 4(7) shall affect any entitlement to or application of any Income received or receivable by the Trustees prior to such exercise and nor shall it affect any capital of such share previously paid transferred or applied to or for the benefit of any Beneficiary
  - (d) Subject to the provisions of this subclause 4(8) the powers contained in subclause 4(7) may be exercised so as to free and discharge the income or capital thereby dealt with from the trusts of this settlement
  - (e) Upon the payment or transfer pursuant to subclause 4(7) of any money or property to the Trustees of any other trust the Trustees hereof shall not be bound to see to the further application of such money or property

## Declaration of trust (continued)

### 4. Dispositive powers and beneficial trusts (continue)

Insert the name of the person(s) whom the Settlor wishes to benefit from the Trust in the event of the Trustees not making an appointment before the end of the Trust period (perhaps because none of the Beneficiaries are alive). If a charity is included here care should be taken to specify the correct name of that charity.

- (9) Subject to all the trusts powers and provisions of this Settlement and if and so far as (for any reason whatever) not wholly disposed of thereby the Trust Fund and the Income shall be held absolutely upon trust for

Name

Date of birth

Address

Share %

## Declaration of trust (continued)

### 5. Administrative powers

Subject to Clause 6, in addition to the powers conferred by this Settlement or by law the Trustees shall have the following powers namely power:

- (a) to retain the Trust Fund (including any uninvested money) in its actual condition or state of investment for so long as they may in their absolute discretion think fit and at any time to sell call in and convert into money the Trust Fund and to change or vary the investments thereof within the range hereby authorised PROVIDED ALWAYS that the Trustees shall not be under an obligation to diversify the investment of the Trust Fund but may exercise the powers conferred upon them so that the whole or a major part of the Trust Fund is or remains invested in the stock shares or obligations of a single company or in a single parcel of real or leasehold or other immoveable property wheresoever situate
- (b) to apply or invest the Trust Fund in their names or in the names of nominees without being under any obligation to diversify the investments in the purchase or other acquisition of or at interest upon the security of such shares, stocks, funds, securities, land, buildings, chattels or property of whatsoever nature and whether producing income or not and wheresoever situate and whether involving liabilities or not upon such personal credit with or without security as they may think fit to the intent that they shall have the same powers in all respects as if they were absolute owners beneficially entitled
- (c) to effect any transaction concerning or affecting any part of the Trust Fund or any other property whatsoever if the Trustees think the transaction is for the benefit of the Trust Fund or the persons interested in it as if the Trustees were a sole absolute beneficial owner of the Trust Fund and for the purposes of this Clause "transaction " includes any sale, exchange, assignment, assurance, grant, lease, surrender, reconveyance, release, reservation, or other disposition and any purchase or other acquisition and any covenant contract license option or right of pre-emption and compromise partition assurance or other dealing or arrangement and "effect" has the meaning appropriate to the particular transaction and references to property include references to restrictions and burdens affecting property
- (d) to allot appropriate partition or apportion ( either expressly or by implication) any investment or property whatsoever which (or the future proceeds of any sale of which) are for the time being subject to the trusts hereof in or towards satisfaction of any share or interest of any Beneficiary (including any share or interest of any Beneficiary who is a Trustee) in the Trust Fund or the Income in such a manner as the Trustees upon making such valuations as they think fit shall in their absolute discretion (without the necessity of obtaining consent) think fit according to the respective rights of the persons interested
- (e) to pay to the parents or parent or guardian of any minor any sum of income intended to be applied for the maintenance or education or benefit of that minor or any sum of capital to be applied for the advancement or benefit of that minor upon receiving from such parents, parent or guardian an undertaking so to apply the said sum of income or capital as aforesaid and so that the receipt of such parents, parent or guardian shall be a complete discharge to the Trustees
- (f) to borrow money on such terms as to interest repayment and otherwise as they may think fit and whether upon the security of the whole or any part or parts of the Trust Fund or upon personal security only and to use such money so borrowed in purchasing or subscribing for investments or property to be held as part of the Trust Fund or otherwise for any purchase for which capital moneys forming part of the Trust Fund may be used
- (g) to invest or hold or allow to remain in the name or under the control of some or one of the Trustees or of any person or persons corporation or corporations as nominee or nominees of the Trustees the whole or such part of the Trust Fund as the Trustees shall in their absolute discretion think fit and the Trustees shall not be liable for any loss to the Trust Fund or income of the Trust Fund occasioned by the exercise of this power
- (h) to delegate at their volition to any persons or corporations (including one or more of themselves) for any period and in any manner and upon any terms the execution or exercise of any of the trusts powers and discretions imposed or conferred on them hereby or by law

## Declaration of trust (continued)

### 5. Administrative powers (continued)

- (i) to arrange, or join, or concur, in arranging for the incorporation or setting up in any part of the world of any limited or other company partnership or enterprise to purchase take on lease or otherwise acquire or to manage cultivate or otherwise administer all or any of the property subject to the trusts hereof or any right of any kind over the same either with or without any other assets and to accept such consideration for any such purchase lease or other acquisition (whether in the form of cash, or rents, or option, or debenture, stock, shares, stock obligation, or securities or securities of the same or of any other company or by way of participation in the profits or assets of any partnership or enterprise or in any other form whatsoever) and to arrange for such company partnership or enterprise to have all such powers and to pay or allow to any such company partnership or enterprise such fees or other remuneration for such management cultivation or other work of administration as the Trustees shall in their discretion think fit
- (j) at any time or times to apply any moneys comprised in the Trust Fund in paying any calls or other payments whatsoever falling to be made in respect of any shares, stock, securities or other investments whatsoever comprised or to become comprised in the Trust Fund
- (k) to exercise or refrain from exercising as they may think fit every power of voting conferred by or incidental to any such shares, stock, securities or investments as aforesaid
- (l) at any time or times to accept any offer of and take up
  - (i) any bonus, shares, stock or securities whatsoever (whether fully or partly paid) proposed to be issued or offered for issue to the Trustees on any capitalization of profits or reserves and
  - (ii) any rights to the allotment or issue of shares, stock or securities offered to the Trustees as existing holders of any other investments with full power to subscribe for and pay up all shares, stock and securities issued pursuant thereto and to sell the rights to allotment or issue of such shares, stock and securities or renounce the same in favour of any other person or persons
- (m) at any time or times to promote to join in promoting and to approve, concur or acquiesce in or agree to and to carry or join in carrying to effect any scheme, proposal or offer for or leading to or being a step in
  - (i) the reconstruction of any company in whose shares, stock or securities the Trust Fund or any part thereof is for the time being invested or
  - (ii) the amalgamation of any company with any other company or corporation or
  - (iii) the alteration of the rights attached to any shares, stock or securities comprised in the Trust Fund or attached to any assets whatsoever having rights affecting any shares, stock or securities so comprised or
  - (iv) the exchange of any investments or property comprised in the Trust Fund for any other investments or property or
  - (v) the formation or reorganisation or financing of any company for the purpose of acquiring any investment or property so comprised
- (n) at any time or times to transfer or pay to any company or corporation the Trust Fund or part thereof in consideration of cash or shares, stock or securities of the company or corporation or for such other consideration as they think fit
- (o) to concur in the winding up or liquidation of any company in which they are interested as holders of shares or other securities and to accept in satisfaction of all or any of their rights in any such winding up or liquidation a distribution in specie of the assets of any such company and thereafter to hold or carry on business with such assets either alone or in conjunction with any other person or persons whatsoever and wheresoever
- (p) with regard to policies of life assurance and other assurance:
  - (i) to effect and pay premiums on policies of life assurance and other insurance;
  - (ii) to exercise any of the elections, powers, options, and privileges conferred by any such policy comprised in the Trust Fund and to alter the amount of any periodic premiums payable thereunder or the period during which such premiums are payable and to do any of the foregoing notwithstanding that the sum assured may thereby be reduced or increased;

## Declaration of trust (continued)

### 5. Administrative powers (continued)

- (iii) to convert any such policy comprised in the Trust Fund into a fully paid up policy free from payment of future premiums;
  - (iv) to surrender wholly or partially any such policy comprised in the Trust Fund;
  - (v) to pay premiums on any such policy comprised in the Trust Fund and to borrow from any person (including any of themselves) the moneys required for any such premium upon such terms as to repayment interest and otherwise as they may think fit;
  - (vi) to appoint in writing such person or persons as the Trustees think fit to act as agent of the Trustees for the purpose of receiving moneys from any person and to apply the said moneys as premiums under any such policy comprised in the Trust Fund already in force or under a policy of life insurance or other assurance which is about to come into force and to become comprised in the Trust Fund
- (q) to insure the whole or any parts of the Trust Fund against loss damage or destruction from any cause whatsoever in any sum not exceeding the higher of the highest value of the same or the highest cost of replacing the same during the 12 months following the taking out or renewal of such policy as shall to the Trustees seem reasonable
- (r) for any of the Trustees to be employed and reasonably remunerated as a director or other office, or employee, or as agent, or adviser of any company, body, or firm in any way connected with the Trust Fund and to keep as his property (and without being liable to account therefore) any reasonable remuneration fees or profits received by him in any such capacity notwithstanding that his situation or office may have been obtained or may be held or retained in right or by means or by reason of his position as one of the Trustees or of any shares, stock, property rights, or powers whatever belonging to or connected with the Trust Fund
- (s) for any of the Trustees to exercise or concur in exercising all powers and discretions given to him by this Settlement or by law notwithstanding that he has a direct or other personal interest in the mode or result of any such exercise but any of the Trustees may nevertheless abstain from acting except as a merely formal party in any matter in which he may be so personally interested and may allow his co-Trustees (being at least two in number or a Trust Corporation) to act alone in relation thereto
- (t) for any of the Trustees to purchase or acquire from or sell or let to the Trustees themselves any property liable to be sold, let, disposed, or acquired or purchased under this Settlement or any statute at such price or rent and upon such terms as the Trustees shall think fit or approve without being liable to account for any profit
- (u) in the event of any duties fees or taxes including without prejudice to the generality of the foregoing any probate, succession, estate, gift, capital transfer, inheritance, income, or other duties fees or taxes being or becoming legally payable by the Trustees in any part of the world in respect of the Trust Fund or Income or any part thereof to pay at their absolute discretion such duties fees and/or taxes out of the Trust Fund or out of the Income to the extent that such duties fees or taxes are properly payable out of the Trust Fund or as the case may be the Income notwithstanding that such duties fees or taxes or some part thereof are not or may not be recoverable from the Trustees by legal process and notwithstanding that payment of such duties fees or taxes may be prejudicial to one or all of the Beneficiaries
- (v) at any time or times by deed to declare that the proper law of this Settlement shall from the date of such declaration be that of any specified jurisdiction (not being a jurisdiction under the law of which (a) any of the trusts powers and provisions herein declared and contained would not be enforceable or capable of being exercised or taking effect or (b) this Settlement would not be irrevocable) and that all rights under this Settlement and its construction and effect shall be subject to and considered according to the laws of that jurisdiction and as from the date of such declaration the law of the jurisdiction named therein shall be the proper law of this Settlement but subject to the power conferred by this clause and until any further declaration be made hereunder PROVIDED ALWAYS that so often as any such declaration as aforesaid shall be made the Trustees shall be at liberty to make such consequential alterations or additions in or to the trusts powers and provisions hereof as the Trustees may consider necessary or desirable to ensure that the trusts powers and provisions of this Settlement shall (*mutatis mutandis*) be as valid and effective as they are under the law of the Isle of Man.

## Declaration of trust (continued)

### 5. Administrative powers (continued)

- (w) (subject to the application (if any) of the rule against perpetuities) to carry on the general administration of these trusts in any jurisdiction in the world whether or not such jurisdiction is for the time being the jurisdiction the law of which is the proper law of this Settlement or the courts of such jurisdiction are for the time being the forum for the administration of these trusts and whether or not the Trustees or any of them are for the time being resident or domiciled in or otherwise connected with such jurisdiction
- (x) at any time or times to declare by deed that from the date of such declaration the forum for the administration of these trusts shall be the courts of any specified jurisdiction AND as from the date of such declaration the courts of the jurisdiction named therein shall be the forum for the administration of these trusts but subject to the power conferred by this clause and until any further declaration be made hereunder
- (y) at any time or times during the Trust Period by deed or deeds to revoke or vary any of the administrative provisions of this Settlement or to add any further administrative provisions as the Trustees may consider expedient for the purposes of this Settlement and without prejudice to the generality of the above for ensuring that at all times there should be a Trustee of this Settlement and that the Trust Fund shall be fully and effectively vested in or under the control of such Trustee and that the trusts of this Settlement shall be enforceable by the Beneficiaries

### 6. Limitations on exercise of administrative powers

None of the powers conferred by law or the powers specifically set out in clause 5 above shall be capable of being exercised in such a way as to prevent an interest in possession from subsisting or continuing to subsist in the Trust Fund in any case where such an interest in possession would otherwise subsist or continue to subsist

### 7. Power to determine how property is to be brought into account

The Trustees shall have power when exercising any power of advancement (including any statutory power of advancement or power to raise and pay or apply any property to a person entitled to the income of that property) or any of the powers conferred by paragraph (d) of clause 5 to determine that the property advanced raised paid allotted appropriated partitioned or apportioned (as the case may be) in or towards satisfaction of part of any share or interest in the Trust Fund shall be brought into account thereafter either as a proportion of the share or interest in the Trust Fund of the person or persons in whose favour such advancement, payment, allocation, appropriation, partition, or apportionment is made or at its value and in either case at the time of the exercise of the relevant power and so that if the Trustees do not expressly so determine at the time of the exercise of such power such property shall be brought into account as a proportion of such share or interest and not at a valuation

### 8. Trustees' powers generally

- (1) Every discretion or power conferred hereby or by law on the Trustees shall be an absolute and uncontrolled discretion or power and no Trustee hereof shall be held liable for any loss or damage accruing as a result of his concurring or refusing or failing to concur in any exercise of any such discretion or power
- (2) Every power authority or discretion conferred upon the Trustees or on any other person and not expressly made exercisable only during a period allowed by law shall (notwithstanding anything to the contrary herein expressed or implied) be exercisable only before the end of the Trust Period or during such further period (if any) (whether definite or indefinite) as in the case of the particular power or authority or discretion the law may allow

## Declaration of trust (continued)

### 9. Beneficiary entitlement

For the avoidance of doubt it is hereby declared that no Beneficiary shall be entitled

- (1) to compel the sale or other realisation of any property or investments not producing income or
- (2) to require the declaration or distribution of any dividend by any company in which the Trust Fund or any part thereof may be invested or
- (3) to require the Trustees to exercise any powers they may have of compelling such distribution or
- (4) to insist on the investment of any part of the Trust Fund in property or investments which produce income

### 10. Trustees not required to manage

The Trustees shall not be bound or required to interfere with or play any part in the management or conduct of the business of any corporation any part of the share capital or debentures or loan stock of which or of any subsidiary of which is for the time being comprised in the Trust Fund but so long as there shall be no notice of any act of dishonesty or misappropriation or misapplication of monies or other property on the part of the directors or other persons having such management or conduct the Trustees may leave the same (including the payment or non-payment of dividends) wholly to such directors or other persons and no Beneficiary shall be entitled as such Beneficiary in any way whatsoever to compel control or forbid the exercise in any particular manner of any voting or other rights which may at any time be vested in the Trustees with regard to such corporation

### 11. Liability of Trustees

In the professed execution of the trusts and powers hereof no Trustee for the time being hereof (being an individual) shall be liable for any loss to the Trust Fund arising by reason of any improper investment made in good faith or for the negligence or fraud of any delegate or of any agent employed by him or by any other Trustee hereof although the delegation or employment of such agent was not strictly necessary or expedient or by reason of any mistake or omission made in good faith by any Trustee hereof or by reason of any other matter or thing whatsoever except wilful and individual fraud or dishonesty on the part of the Trustee or other person whom it is sought to make liable.

- (1) A lay Trustee (within the meaning of section 28 of the UK Trustee Act 2000) shall not be liable for a loss to the Trust Fund unless that loss or damage was caused by his own actual fraud or dishonesty or conscious wrongdoing.
- (2) A Trustee who is not a lay Trustee (within the meaning of section 28 Trustee Act 2000) shall not be liable for a loss to the Trust Fund unless that loss or damage was caused by his own actual fraud or dishonesty or conscious wrongdoing or negligence.
- (3) A Trustee shall not be liable for acting in accordance with the advice of counsel, of at least five years' standing, with respect to the Trust. The Trustees may in particular conduct legal proceedings in accordance with such advice without obtaining a Court Order. A Trustee may recover from the Trust Fund any expenses where he has acted in accordance with such advice.
- (4) The above sub-paragraph (iii) does not apply:
  - (a) if the Trustee knows or has reasonable cause to suspect that the advice was given in ignorance of material facts;
  - (b) if proceedings are pending to obtain the decision of the court on the matter;
  - (c) in relation to a Trustee who has a personal interest in the subject matter of the advice; or
  - (d) in relation to a Trustee who has committed a breach of trust relating to the subject matter of the advice.
- (5) The Trustees may distribute Trust Property or income in accordance with this Trust but without having ascertained that there is no Person who is or may be entitled to any interest therein by virtue of a relationship unknown to the Trustees. The Trustees shall not be liable to such a Person unless they have notice of his claim at the time of the distribution

## Declaration of trust (continued)

### 12. Retirement removal and appointment of Trustees

- (1) Except where the Trustees include or comprise a Trust Corporation there shall never be less than two Trustees but a sole Trustee may act while being such sole Trustee for the purpose of appointing a new Trustee or Trustees but (unless a Trust Corporation) for no other purpose
- (2) The statutory power of appointing new or additional Trustees as hereinafter modified shall apply to this settlement
- (3) Any Trustee may retire at any time provided he gives 30 days written notice to the remaining Trustee(s) and if he is still living the Settlor
- (4) In each case the retirement or dismissal shall not take effect unless and until there are at least two Trustees or a Trust Corporation to act as continuing Trustees or the continuing Trustee as the case may be
- (5) The statutory power of appointing new or additional Trustees shall be modified as follows:
  - (a) any person or persons may be appointed as Trustee or Trustees notwithstanding that such person or persons may be resident domiciled carrying on business or (if a body corporate) incorporated outside the Isle of Man and the receipt of such person or persons for the whole or such part or parts of the Trust Fund as may be paid or transferred to such person or persons pursuant to such appointment shall be a complete discharge to any other Trustee or Trustees accordingly
  - (b) the statutory power of appointing new Trustees shall not be exercisable by reason only that a Trustee remains out of the Isle of Man for more than twelve months
  - (c) the statutory power of appointing additional Trustees shall be exercisable notwithstanding that one of the Trustees for the time being is a Trust Corporation

### 13. Corporate Trustee

Any corporate body which is empowered to act as a Trustee may at any time be appointed either as a general Trustee or as a custodian Trustee hereof on such terms and conditions as to remuneration and otherwise in all respects as the person or persons making the appointment shall prescribe or approve and may act by its proper officers in the discharge of its duties as such Trustee and in the exercise of the powers and discretions conferred hereby or by law

### 14. Remuneration of the Trustees

Every Trustee shall be entitled to remuneration upon such terms as may be agreed by the Settlor in his lifetime and in the absence of such agreement every Trustee shall be entitled to remuneration in accordance with its normal scale of charges (if applicable) at that time

### 15. Release by Trustees of their powers

The Trustees may by deed or deeds revocable during the Trust Period or irrevocable and so as to bind their successors release or restrict at any time or times any of the powers (including the power conferred by this Clause 15) conferred on them by this settlement or by law either wholly or to the extent specified in any such deed

### 16. Irrevocable settlement

This Settlement shall be irrevocable

## Declaration of trust (continued)

### 17. Name of settlement

You should indicate here the name by which the Trust should be known. This name will appear on all future policy documentation. It is usual, but not essential, to include the Settlor's surname. For example, it may be described as the "XYZ family settlement".

It is important that the policies to be included in the Trust be identified by policy number. Alternatively, if the policy has not been issued, the policy type and date appearing on the application should be entered.

The signatures of the Settlor and Trustees should be included here. Please ensure that all signatures are witnessed by an independent person. The same person may witness all signatures.

Trust Name

**THE SCHEDULE** below refers to Friends Provident International Limited Policy(ies) numbered

Policy Number

Or proposal Date(s) & Policy Type(s)

Policyholder

Life/Lives Assured

**IN WITNESS** whereof the parties hereto have executed this Deed the day and year first above written

**SIGNED AND DELIVERED AS A DEED** by the said Settlor

Name of Settlor

Signature

Address of Settlor

In the presence of

Signature

Address of Witness

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## Declaration of trust (continued)

### 17. Name of settlement (continued)

**SIGNED AND DELIVERED AS A DEED** by the said Trustee

Name of Original Trustee

Signature

Address of Original Trustee

In the presence of

Signature

Address of Witness

**SIGNED AND DELIVERED AS A DEED** by the said Trustee

Name of Original Trustee

Signature

Address of Original Trustee

In the presence of

Signature

Address of Witness

## Declaration of trust (continued)

### 17. Name of settlement (continued)

**SIGNED AND DELIVERED AS A DEED** by the said Trustee

Name of Original Trustee

Signature

Address of Original Trustee

In the presence of

Signature

Address of Witness

**SIGNED AND DELIVERED AS A DEED** by the said Trustee

Name of Original Trustee

Signature

Address of Original Trustee

In the presence of

Signature

Address of Witness

The information given in this document is based on Friends Provident International's understanding of UK and Isle of Man tax law and HM Revenue & Customs practice as at January 2016, which may change in the future. Individuals are advised to seek professional independent advice and no liability can be accepted for the personal tax consequences of this Trust or for the effect of future tax and legislative changes.

It is important to appreciate that although Friends Provident International has sought expert views on the tax implications of the Trust and it is not considered that the arrangement constitutes a gift with reservation of benefit within the meaning of the Finance Act 1986, no guarantee can be given that (albeit unlikely) the Inland Revenue will not take a contrary view or that tax legislation will not change in the future. As the value of units can go down as well as up, due regard must be given to the level of possible future growth in the Bond when selecting the level of capital repayments required. A high capital repayment may not be thought advisable, at least in the early years following the commencement of the arrangement.

Holders of policies issued by Friends Provident International will not be protected by the UK Financial Services Compensation Scheme if the Company should become unable to meet its liabilities to them. Policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man.

We do not condone tax evasion and our products and services may not be used for evading your tax liabilities.

Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man or the Financial Ombudsman Scheme in the UK, depending on the parties involved.

Some telephone communications with the Company are recorded and may be randomly monitored.

### Legal interpretation

Each policy is governed by and shall be construed in accordance with the law of the Isle of Man.

A written statement of the policy terms and conditions of the products may be obtained from Friends Provident International on request.

## Get in touch

To find out more about how the Excluded Property Trust could benefit your clients, please call us on **+44 1624 821153** or email us at: **alt@fpiom.com**

### Data Privacy

We take the responsibility of handling your personal data very seriously and we will only ask you for details required to process your requests to us. Please be aware of our privacy policy – please visit **[www.fpinternational.com/legal/privacy-and-cookies](http://www.fpinternational.com/legal/privacy-and-cookies)** to view the full policy, or this can be provided on request from our Data Protection Officer.

## About Friends Provident International

We are a leading financial services provider, with a reputation for trust, commitment and integrity, offering financial solutions to customers throughout their lives.

Friends Provident International has over 35 years of international experience in offshore savings and investments.

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**Friends Provident International Limited:** Registered and Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA. Telephone: +44 (0)1624 821212 | Fax: +44 (0)1624 824405 | Website: [www.fpinternational.com](http://www.fpinternational.com). Isle of Man incorporated company number 11494C. Authorised and regulated by the Isle of Man Financial Services Authority. Provider of life assurance and investment products. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. **Singapore branch:** 4 Shenton Way, #11-04/06 SGX Centre 2, Singapore 068807. Telephone: +65 6320 1088 | Fax: +65 6327 4020 | Website: [www.fpinternational.sg](http://www.fpinternational.sg). Registered in Singapore No. T06FC6835J. Licensed by the Monetary Authority of Singapore to conduct life insurance business in Singapore. Member of the Life Insurance Association of Singapore. Member of the Singapore Financial Dispute Resolution Scheme. **Hong Kong branch:** 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong. Telephone: +852 2524 2027 | Fax: +852 2868 4983 | Website: [www.fpinternational.com.hk](http://www.fpinternational.com.hk). Authorised by the Insurance Authority of Hong Kong to conduct long-term insurance business in Hong Kong. **Dubai branch:** PO Box 215113, Emaar Square, Building 6, Floor 5, Dubai, United Arab Emirates. Telephone: +9714 436 2800 | Fax: +9714 438 0144 | Website: [www.fpinternational.ae](http://www.fpinternational.ae). Registered in the United Arab Emirates with the UAE Insurance Authority as an insurance company. Registration date, 18 April 2007 (Registration No. 76). Registered with the Ministry of Economy as a foreign company to conduct life assurance and funds accumulation operations (Registration No. 2013). Friends Provident International is a registered trademark and trading name of Friends Provident International Limited.