

Trust Deed

For Whole of Life Policies

The Succession Trust – Trust Deed

Introduction

The Succession Trust is intended for those who wish to transfer ownership of an asset, but need to retain the possibility of benefiting from it.

The Succession Trust allows the Settlor to provide for a wide class of Beneficiaries. Although it is the Trustees that have absolute discretion over who benefits they will in practice take account of the wishes of the Settlor. This Trust can meet a number of objectives, including succession planning, mitigation of wealth and estate taxes and possibly forced heirship laws in some jurisdictions.

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.

Please note that the Settlor will automatically be a Trustee unless the relevant words are deleted.

If an existing policy is to be placed into trust and already has a Fund Adviser appointed we will require confirmation from the Trustees that the agreement is to continue.

Important note for UK domiciled individuals

It is currently a legal requirement for any chargeable lifetime transfers comprising cash and that cause the Settlor to exceed his/her Nil Rate Band (NRB) to be reported to HMRC on Revenue forms IHT 100, IHT100a and D34. These forms are available on the HM Revenue & Customs website at www.hmrc.gov.uk/cto/forms12.htm

The occasion of a periodic charge or exit charge also needs to be reported even if no IHT liability arises unless the cumulative total of the assumed transferor does not exceed 80% of the then NRB. The forms to use here, when relevant, are IHT 100c and d, and form D34.

Declaration of trust

This is the date the Trust will take effect and should not pre-date the policy commencement date.

This Settlement is made the

	day of		20
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The name and address of the Settlor (or both Settlers) should be inserted here. The Settlor(s) is/are automatically included as a Trustee unless the relevant words are deleted.

(i) **BETWEEN**

of		
	(the Settlor)	
and		
of		
	The Settlor(s) of the first part and	

The name and address of the additional Trustees should be inserted here. Please note proof of identity will be required for all Trustees, i.e. passport, plus confirmation of each Trustee's residential address, i.e. utility bill.

(ii) **THE SETTLOR(S) AND** (delete if not applicable)

of		
and		
of		
	("the Trustees") of the second part	

WHEREAS the Settlor is the absolute beneficial owner of the policies detailed in the First Schedule to this Trust ("the Scheduled Policies") and the Settlor being desirous of transferring the policy into Trust hereby declares that from the date first before written the Trust Fund shall be held by ***[the Settlor and]**** the Trustees ("the Trustees") together as Trustees of the Trust set out below:

*If the Settlor is not to be a Trustee please delete the wording in italics, and date and initial the deletion.

Declaration of trust (continued)

NOW THIS DEED WITNESSETH as follows:

1. The Fund

- (1) In this Trust the expression the "Fund" shall mean the Scheduled Policies and any further assets hereinafter transferred to the Trustees or made by them and held on the terms of this Trust together with the proceeds or income or accumulated income thereof or such part or parts thereof as shall for the time being remain undistributed.
- (2) In this Trust the expression "the Trust Period" means the period of one hundred and fifty years from the date first before written.

2. Beneficiaries

The Trustees shall hold the Fund and the income and capital of the Fund on the following Trusts:

- (1) The Trustees shall have power during the Trust Period to pay, transfer or apply all or part of the Fund to or for the benefit of the Primary Beneficiary, the Settlor (and where there is more than one, for all Settlers or the survivor(s) thereof jointly)
- (2) Subject to paragraph (1) of this clause 2 for the benefit of such of the Named Beneficiaries identified in the Third Schedule to this Trust as the Trustees may by deed or deeds revocable during the Trust Period or irrevocable, appoint and if more than one in such shares and for such interests and subject to such Trusts powers and provisions as the Trustees shall in their absolute discretion think fit Provided Always that no such appointment shall affect the entitlement of any person to any benefit previously received by him under this Trust.
- (3) Subject to and in default of any appointment made under paragraphs (1) and (2) of this Clause 2 for the benefit of the Named Beneficiary during the Trust Period, and if there shall be more than one Named Beneficiary, then they shall be entitled to the Fund in the shares stated in the Third Schedule hereto and if no shares are stated at any time then in equal shares per capita.
- (4) During his lifetime the Settlor (and if more than one all of them acting jointly) shall have full power to exclude or add or otherwise change the entitlements of Named Beneficiaries or a Named Beneficiary described in the Third Schedule of this Deed by delivering to the Trustees a notice in writing signed by the Settlor stating the Named Beneficiaries or Named Beneficiary to be excluded from or added to the Third Schedule of this Deed or detailing the alteration to their entitlement, such notice to be attached to and form part of this Trust.
- (5) If the Trustees shall be in doubt as to whether any person or entity shall have survived the Settlor it shall be presumed conclusively that such person predeceased the Settlor.

3. Authorised Investments

Any moneys for the time being representing the Fund may be invested in or applied in the purchase of or at interest upon the security of such stocks, funds, policies of assurance, securities or other investments or property of whatever nature as the Trustees in their absolute discretion think fit to the extent that the Trustees shall have the same and unrestricted powers of investing and varying investments in all respects as if they were absolutely and beneficially entitled thereto.

4. Fees

Any Trustee being an advocate or other person (including any company engaged in any profession or business) shall be entitled to charge and be paid all usual and professional or other charges for business done and services rendered or time spent by it, him or his firm in the administration of the Trusts hereof including acts which a Trustee not engaged in any profession or business could have done personally.

Declaration of trust (continued)

5. Appointment of Trustees

- (1) A Trustee may at any time retire from its functions and duties under this Trust by giving to the Settlor not less than thirty days written notice at the expiry of which the Fund shall be transferred to the continuing Trustees, providing that after such retirement there remains at least two Trustees.
- (2) During his lifetime the Settlor shall have full power to remove a Trustee by delivering to such Trustee thirty days written notice of such removal at the expiry of which notice the Fund shall be transferred to the remaining Trustees. The Settlor cannot exercise this power unless after such removal there remains at least two Trustees.
- (3) The power to appoint new or additional Trustees shall vest in the Settlor during his lifetime and after his death shall vest in the Trustees.

6. Governing Law

This Deed shall be governed by and construed in accordance with the laws of the Isle of Man and all parties to this Deed hereby submits to the non-exclusive jurisdiction of the Courts of the Isle of Man.

7. Miscellaneous

- (1) In the management and administration of the Fund the Trustees shall accept as a good and sufficient discharge a receipt by a parent or guardian of any minor Named Beneficiary in respect of capital or income payable to or for the benefit of such Named Beneficiary.
- (2) The Trustees shall have the power to delegate the power of making managing realising or otherwise dealing with any investment comprised in the Trust Fund to any person or persons upon such terms as to remuneration or otherwise as the Trustees may think fit and no Trustee shall be responsible for the default of any such agent if the Trustees in question employed or incurred expense in employing him in good faith.
- (3) Every discretion or power conferred on the Trustees shall be absolute and uncontrolled.
- (4) Words denoting any gender shall include all genders and words denoting persons shall include firms and corporations as well as actual persons and words denoting the singular shall include the plural and vice versa.
- (5) In the professed execution of this Trust no Trustee shall be liable for any loss to the Trust Fund arising by reason of any investment made in good faith or by reason of any mistake or omission made in good faith by any Trustee hereof or by reason of any other matter except wilful and individual fraud or wrong doing on the part of the Trustee who is sought to be liable.

Declaration of trust (continued)

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.

Please insert the name by which you wish the Trust to be known. This will appear on all future correspondence.

Enter the name(s) of the people you would like to receive the benefit and the relevant percentage. **Please do not leave this blank.**

First Schedule

The Fund

Second Schedule

Trust Name

This settlement may be referred to as

Third Schedule

The named Beneficiaries and their appropriate share

Name

Date of Birth

Address

Share %

Name

Date of Birth

Address

Share %

Name

Date of Birth

Address

Share %

Name

Date of Birth

Address

Share %

NOTE: In the event of a payment request to pay a Beneficiary directly, we will require proof of the address of the payee.

Declaration of trust (continued)

IN WITNESSETH 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

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

Name of Settlor	<input type="text"/>
Signature	<input type="text"/>
In the presence of	<input type="text"/>
Signature	<input type="text"/>
Address of Witness	<input type="text"/>

SIGNED AND DELIVERED AS A DEED by the said Settlor

Name of Settlor	<input type="text"/>
Signature	<input type="text"/>
In the presence of	<input type="text"/>
Signature	<input type="text"/>
Address of Witness	<input type="text"/>

SIGNED AND DELIVERED AS A DEED by the said Trustee

Name of Trustee	<input type="text"/>
Signature	<input type="text"/>
In the presence of	<input type="text"/>
Signature	<input type="text"/>
Address of Witness	<input type="text"/>

Declaration of trust (continued)

SIGNED AND DELIVERED AS A DEED by the said Additional Trustee

Name of Trustee

Signature

In the presence of

Signature

Address of Witness

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.jsp to view the full policy or this can be provided on request from our Data Protection Officer.

The information given in this document is based on Friends Provident International Limited's understanding of UK and Isle of Man tax law and HM Revenue & Customs practice as at June 2015, 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.

Each policy is governed by and shall be construed in accordance with the laws of the Isle of Man. If your client effects a policy whilst resident in the United Arab Emirates, all disputes regarding the policy shall be subject to the non-exclusive jurisdiction of the courts of the United Arab Emirates.

Some telephone communications with Friends Provident International are recorded and may be randomly monitored.

All policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man, wherever their place of residence. Investors should be aware that specific investor protection and compensation schemes that may exist in relation to collective investments and deposits accounts are unlikely to apply in the event of failure of such an investment held within insurance contracts.

Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man. (Not applicable to Corporate Trustees.)

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

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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. 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. 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. 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. 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.