

A banner image showing a low-angle view of several modern glass skyscrapers reaching towards a clear blue sky. The text "Isle of Man Trusts" is centered in a white box with a dark border.

Isle of Man Trusts

Trusts have been used for years for the purpose of wealth preservation. Trusts are useful both for financial planning purposes and also to facilitate the orderly administration of a family's assets.

Why Isle of Man?

The key features of its trust law continue to assist the Isle of Man's growth in the trust world, including; the flexible powers for trustees, the ability for the settlor to also be a beneficiary under the trust, and the ability to provide for a Protector within the Trust.

The Trusts (Amendment) Act 2015 abolished the 150 year perpetuity period of Isle of Man Trusts going forward, the requirement for two Trustees and introduced 'firewall' legislation to protect Isle of Man Trusts from foreign law. Isle of Man Trust legislation is in line with what is widely seen as the leading standard.

Types of Trust

We offer a full range of trust services to a range of international trust structures and can establish and administer the following types of trust;

A **Discretionary Trust** provides the trustees discretion in the distribution of the trust's assets.

Generally, the trust deed will specify a class of beneficiaries and will periodically decide whether or not to distribute the income derived from the trust, to one or more of the class, or to alternatively retain it as additional capital for the trust fund.

A **Fixed Interest Trust** is drafted so that one or more beneficiaries have a predetermined entitlement to a specified portion of the trust's income or capital. Usually a particular beneficiary will be entitled, for a specific period, to the net income of the trust.

Ordinarily their entitlement and interest will continue until their death, upon which the trustees will have discretion as to whether they distribute the trust income amongst a class of discretionary beneficiaries or retain it as additional capital.

An **Accumulation and Maintenance Trust** is principally established for minor beneficiaries such as children or grandchildren.

The trustees, taking into consideration the best interests of the beneficiaries, have discretion to make payments towards education, maintenance and benefits of the beneficiaries, whilst any income that is not paid out will accumulate until the beneficiary reaches the age of majority, at which point he/she will be entitled to it.

A **Charitable Trust** can be established for charitable or philanthropic purposes which can include the advancement of Education, Religion, Culture and the Arts, Social and Community as well as Environmental purposes.

Uses of Trusts

Trusts can be established as an individual solution or as part of a corporate structure; whether to simply hold a company, a single asset or a whole estate. The choice of trust is notably determined by the client's individual circumstances and requirements.

There are many reasons why a client might wish to create a trust. Common uses include;

- **Confidentiality**
- **Succession Planning**
- **Consolidation of Assets and Reporting**
- **Tax Planning**

All of these advantages will be dependent upon a range of variables, including the type of trust used, the residence and domicile of the beneficiaries and the settlor and the assets which are settled.

Our Trust Services

Under the Trustee Act 2001, a trust may use a corporate as one of its trustees; Abacus Trust Company Limited is licensed by the Financial Services Authority of the Isle of Man to act as a trustee company and to provide other fiduciary services.

We have over 30 year's extensive offshore experience in the establishment and administration of bespoke international trust structures. Our trust services include:

- **Trust Establishment**
- **Trust Administration**
- **Provision of Trustees**
- **Accounting and Bookkeeping**
- **Formation and management of related corporate structures**

We are not limited to or restricted in our jurisdictions for trust establishment. Should you wish to establish a trust

outside of the Isle of Man, please contact us to discuss your requirements further.

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No action should be taken on the basis of this note, nor should it be construed as amounting to tax, legal or VAT advice. Suitable and professional advice should always be obtained before entering into transactions of this kind.

About Abacus Trust Group

We are a leading fiduciary and professional administration services specialist based in key jurisdictions.

As an independent and privately-owned group of companies, our principle of applying integrity, independence and insight to meet our clients' requirements has gained us recognition as a leader in our field.

We provide premier onshore and offshore solutions to an international client base, delivered by a team of multi-disciplined, multi-lingual, resourceful and innovative professionals

Abacus Trust Company Limited and Abacus Financial Services Limited are licensed by the Isle of Man Financial Services Authority
Abacus Corporate Services Limited is authorised by the Malta Financial Services Authority to provide trustee and other fiduciary services
Abacus Tax Limited is registered as a designated business with the Isle of Man Financial Services Authority.