



## TRUST YOUR TRUST

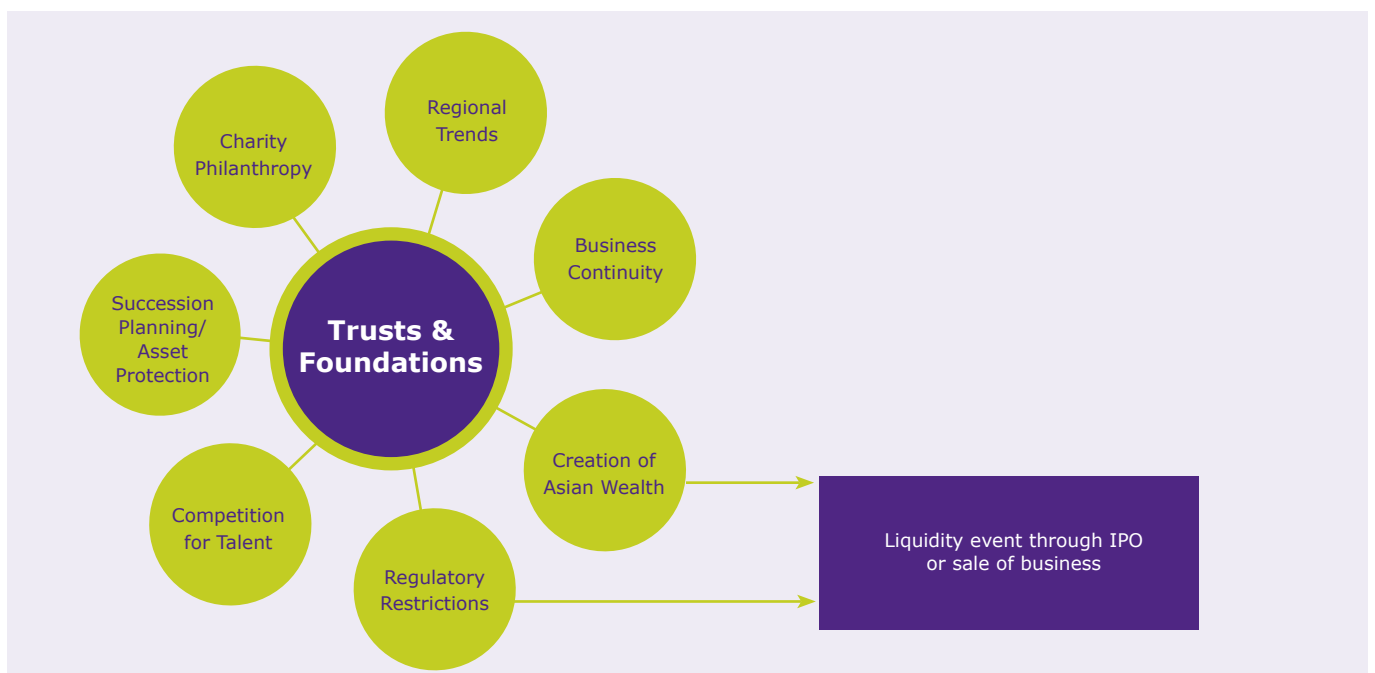
### Rise in Demand for Trusts and Foundations in Asia

#### GROWING TREND FOR TRUSTS AND FOUNDATIONS

Asia plays a large part in most global strategies - according to the World Economic Forum predictions of 2012, by 2030 Asia will host 64% of the global middle class and accounts for 40% of global middle class consumption. In the last 30 years or so, there has been significant economic growth in Asia contributing to the meteoric rise of high net worth individuals in the region. The growing volume of private wealth in the Asia-Pacific region (excluding Japan) is also expected to almost double in value reaching USD61 trillion by 2018. This has resulted in increasing demand for a more considered approach towards compliant structures for holding private wealth and succession planning.

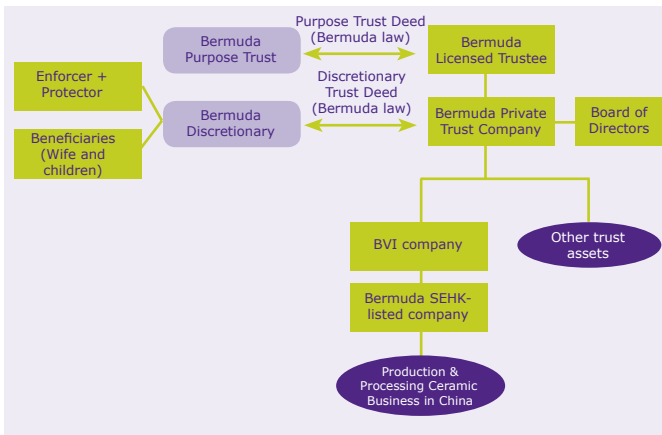
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#### SOME CURRENT DRIVERS FOR TRUSTS AND FOUNDATIONS



## COMMON SCENARIOS

### SCENARIO 1 FAMILY TRUST: BUSINESS CONTINUITY AND SUCCESSION PLANNING



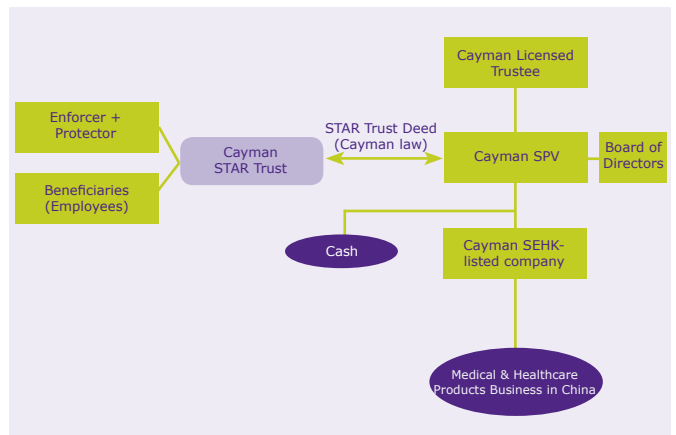
#### Family Trust Structure: Bermuda Discretionary and Purpose Trusts and PTC

The Chairman of a Hong Kong-listed Bermuda company specialising in ceramic production and processing business in China with many years of experience and extensive knowledge of the industry is looking for a structure to consolidate his wealth (including the listed shares and private assets), for continuity of the business and for succession planning, and sets up a family trust structure involving a Bermuda discretionary trust, a Bermuda purpose trust and a Bermuda private trust company (“PTC”).

#### Benefits:

- Continuity: Not affected by probate, and ensuring concentration of ownership within the family after several generations
- Succession planning: Family members can be involved in the running of the business by sitting at the board of the PTC; those not involved in the running of the business can still receive profits through dividend distribution
- Facilitates the listing and holding of listed shares
- Consolidating the holding of family assets
- PTC: Simple and inexpensive to set up; flexible and quicker in dealing with trust assets; various types of assets can be included in the trust structure; family members have greater transparency of the management of the trust and can retain a greater degree of control over the trust affairs

### SCENARIO 2 EMPLOYEE BENEFIT PROGRAM: INCENTIVISATION, COMPETITIVE ADVANTAGE



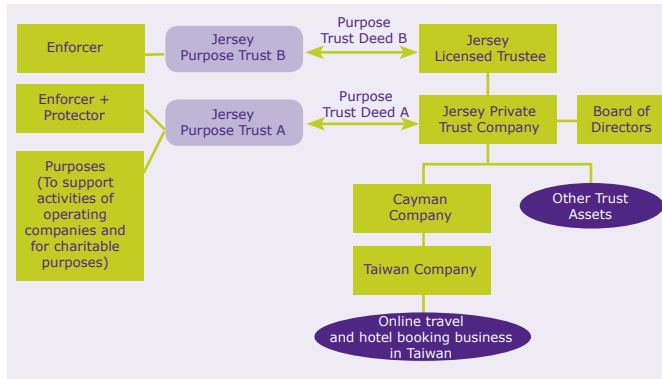
#### Trust Structure for Employee Benefit Program: Cayman STAR Trust

A Hong Kong-listed Cayman company (“Listco”) specialising in medical and healthcare products business in Asia is looking for a structure to operate an employee benefit program to incentivise and retain the high caliber employees of the group, and sets up a structure involving a Cayman STAR trust and a Cayman SPV, where the Board of directors of the Cayman SPV will administer the program and grant cash or shares of the Listco to employees of the Listco group.

#### Benefits:

- A separate structure holding cash, shares or other assets of the Listco for the benefit of employees. These assets are segregated from the main pool of assets held by the Listco
- Separate team members from the Listco can be responsible for and deal with the program
- Perpetuity period does not apply to a Cayman STAR trust - the structure can live on in perpetuity
- Can ensure that beneficiaries do not have rights to enforce or to break the trust or to seek disclosure of information regarding the trust and its ongoing administration
- Can ensure that creditors of the Listco cannot access or attach to the assets in the trust

### SCENARIO 3 COMMERCIAL TRUST: JERSEY PURPOSE TRUSTS AND PTC



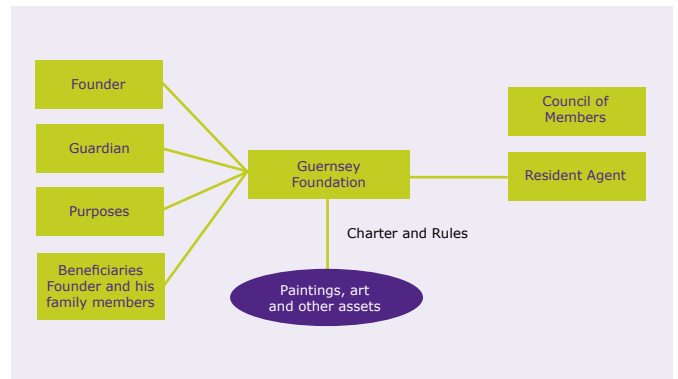
#### Commercial Trust Structure: Jersey Purpose Trusts and PTC

An entrepreneur in China who has started an online travel and hotel booking business in Taiwan and the rest of Asia, is looking for a structure to continue the operation of the business and to support certain charitable organisations. He has set up a commercial trust structure involving 2 Jersey purpose trusts and a Jersey PTC.

#### Benefits:

- Ensure business continuity
- Consolidation of assets
- Charitable mindset
- Tax advantages
- Flexibility of combining charitable and non-charitable purposes
- Asset protection: Specific provisions to protect assets from creditors' claims
- The structure can live on in perpetuity

### SCENARIO 4 GUERNSEY FOUNDATION: ASSET HOLDING



#### Guernsey Foundation: Holding & Retention of Assets

A businessman in Singapore is looking for a structure to hold his paintings, art and other assets for the benefit of him and his family members. He chooses to set up a Guernsey foundation.

#### Benefits:

- Foundation is a legal entity incorporating trust features, having a full capacity and powers of a natural person
- Greater power to control may be retained by the founder, which are more extensive for the management of the assets
- Limited rights of beneficiaries
- Liabilities are that of the foundation
- No limitation period

## KEY CONTACTS



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## OUR ORGANISATION

Appleby is one of the world's largest providers of offshore legal, fiduciary and administration services. With an unparalleled presence in the key offshore jurisdictions of Bermuda, the British Virgin Islands, the Cayman Islands, Guernsey, Isle of Man, Jersey, Mauritius and the Seychelles, the group offers advice on offshore law and provides fiduciary and administration services. We also have a presence in several key international financial centres.

Over 800 lawyers and professional specialists deliver sophisticated, specialised services, primarily in the areas of Private Client and Trusts; Corporate; Dispute Resolution and Property. We advise global public and private companies, financial institutions, and high net worth individuals, working with them and their advisers to achieve practical solutions, whether in a single location or across multiple jurisdictions.

## AWARDS & RECOGNITIONS

- The winner of 'International Legal Team of the Year' 2014/15 at the STEP Private Client Awards
- Ranked in eprivateclient's 2015 Top 25 Trust Companies
- Appleby lawyer named as 'Wills, Trust & Estate Planning Lawyer of the Year' at the Finance Monthly Law Awards 2014
- Winner of Caribbean Trust Company of the Year' at Citywealth IFC Awards 2013
- Six Appleby lawyers recognised as being leaders in their field at The Citywealth Private Wealth Leaders List for 2012