

# Private Trust Companies

The use of trusts in wealth management and estate planning means transferring legal control of trust assets to a third party (the trustee).

The trustee holds the assets for the beneficiaries and administers them in accordance with the terms of the trust instrument. However, while the establishment of a trust structure may achieve certain objectives, many people are uncomfortable with the idea of handing control of the family's business to a third party. Hence, one solution is to use a Private Trust Company.



In a typical PTC structure, a purpose trust is established to own the shares in the PTC. This is not always necessary and will depend on the facts in each case and advice received.

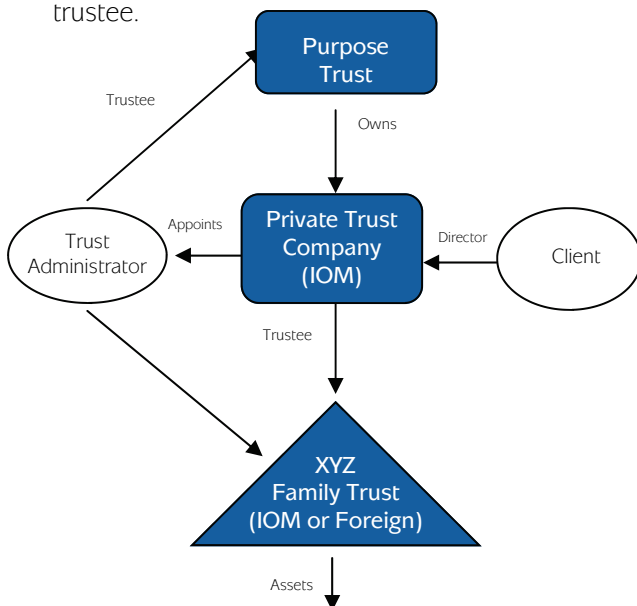
Should a purpose trust be required, Abacus is licensed to act as its trustee.

The PTC is established with either the purpose trust or individuals of the client's choice as shareholder(s). The directors will usually comprise of family members, advisers to the family and a client director from Abacus. The exact make up of the board will be decided with reference to the clients wishes and legal and tax advice received.

A family trust is formed and the PTC appointed as trustee. Alternatively the PTC may be appointed as trustee of an existing family trust or connected trusts.

## What is a Private Trust Company?

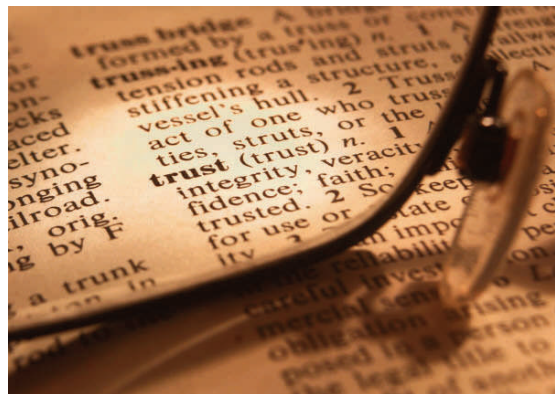
In general terms, a Private Trust Company ("PTC") is a special purpose vehicle established to act as trustee of a family trust or a number of related trusts. The board of directors of the PTC control it and as such can direct the fiduciary function of trustee.



## Benefits

There are a number of benefits associated with this type of structure. The main ones include;

- Family Governance
- Retention of Control
- Succession Planning
- Tax Efficiency
- Confidentiality



## Our Services

At Abacus we can establish a Private Trust Company structure, designed to meet your individual objectives and requirements together with a range of support services to ensure that the structure is correct and runs efficiently.

Our services include;

- **Trust Establishment and Administration**
- **Company Formation and Management**
- **Provision of officers, i.e. Directors to the Private Trust Company, trustees to the purpose trust**
- **Bookkeeping**
- **Tax Compliance and Consultancy Services**

## About Abacus

Abacus was originally part of the international accounting group Coopers & Lybrand, now part of PricewaterhouseCoopers. The principles of stability and professionalism emanating from our heritage continue to guide our firm. Without any tie to major financial institutions, we are able to offer true, independence and a best in class service with an innovative approach.

Our staff are drawn from a wide range of professions - our directors come from accounting and international banking backgrounds and have extensive experience in the offshore financial world.

We set out to provide solutions by understanding clients' objectives. Whether it is a tax planning structure or an efficient means of outsourcing complex administration, our goal is to apply highly professional standards to achieve a cost-effective solution.

Abacus is one of the Isle of Man's leading fiduciary and fund administration service providers, experienced in a wide range of international fiduciary and fund administration services. We pride ourselves on providing tailor-made and bespoke solutions to clients based on our understanding of their individual needs and circumstances.

## Contact Details

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*This note is intended only as a brief introduction to the structuring opportunities for families*

*No action should be taken, on the basis of this note and it should not be construed as amounting to tax advice.*

*Suitable, professional tax advice should always be obtained before entering into transactions of this kind.*

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