

Singapore Private Trusts – FAQ

Our clients know what they want to achieve. We know how to get there. Working with some of the sharpest minds in corporate law and finance, we pull together the right blend of services to suit each client's unique situation. With an international network of experts and a rich history in the financial world, we have the people and knowledge to help you succeed. Partnership, premium quality and personal attention. That's how we've remained a leader in Trust and Corporate Services since 1952.

What is a trust?

A trust is a formal transfer of assets by the initial owner of the assets (the settlor) to a trustee on the instructions that the trustee shall hold such assets for the benefits of others (beneficiaries).

Who can establish a trust?

Any corporate entity or any private individual of at least 18 years of age, of sound mind and in possession of the proposed trust assets.

When and how is a trust formed?

A trust may be set up under a will or during the lifetime of a settlor. In order to form a trust, the settlor would sign a written document known as a trust instrument and transfer ownership of such assets to the trustee.

Who would act as trustee?

Any mature private individual (usually a trusted friend or relative of the settlor) can act as trustee. However, it is advantageous to appoint a professional trust corporation since it has perpetual life, suitably qualified and experienced trust professionals and the requisite infrastructure to properly administer the trust and maximise returns on investments on trust assets. Our trust company, Intertrust (Singapore) Ltd. will fulfil this role and its directors and officers will manage the affairs of the trust.

Who can be a beneficiary?

Any person, company, charitable body or even another trust can be a beneficiary of a trust.

How long can a trust last?

A period of a maximum of 100 years may be adopted as the trust period from the date of settlement. It can be terminated at any time before the end of this period.

What assets can be held in a trust?

Any asset that is capable of being owned by a private individual. The selection is endless, for instance: stocks and shares, land and buildings, cash, valuables, works of art, joint venture participations, loans and private family businesses.

Why set up a trust?

▶ Family planning

A trust is ideal for complex family circumstances and for those unable to manage their own affairs for instance infant children and the incapacitated. Provisions under a trust can be customized to ensure family values endure and to leave a lasting legacy for future generations.

▶ Succession planning

A trust can be established to ensure, in the event of death or disability, wealth accumulated during a lifetime will not be divided but will continue to be preserved and managed. Assets under a trust alleviate certain restrictions imposed by inheritance laws for instance forced heirship laws and provide for a flexible alternative to testamentary probate.

▶ Avoid will and probate

No publicity or action is required upon the death of the deceased. The executor only deals with personal assets, NOT trust assets.

▶ Wealth protection

Assets can be held in the name of the trustee to ensure protection against creditors, bankruptcy, exchange controls, hostile governmental authorities and other risks like a matrimonial battle over assets in the event of a divorce.

▶ Confidentiality

A trust may be established outside the country of one's residence. As assets under a trust do not form part of one's estate and are held, managed and invested by the trustee or its nominees, the identities of the settlor(s) or beneficiaries of the trust remain entirely confidential.

▶ Tax mitigation

If a trust is located in a low or nil tax jurisdiction (i.e. the place where the trustee or majority of the trustee's control is exercised), then the trust fund suffers no form of taxation upon the income, capital gains or overall capital value (such as wealth taxes). Such freedom from taxes, coupled with the considerable flexibility of a trust, can potentially provide wealthy private individuals with a versatile financial planning vehicle.

What advantages apply to setting up a trust in Singapore?

▶ Well-regulated

Singapore has a common law-based legal system and has enacted modern legislation to address the developments in the international trust industry. Trustees in Singapore are also subjected to statutory duties under the Trustees Act and trust companies are licensed and closely regulated by the country's central bank, the Monetary Authority of Singapore.

▶ Foreign trusts scheme

Qualifying foreign trusts and their underlying holding companies will be granted tax exemption on certain specified income derived from designated investments. A foreign trust is one by deed settled by a settlor who is a non-resident and non-citizen of Singapore for the benefit of beneficiaries who are non-residents and non-citizens of Singapore.

▶ Domestic trusts scheme

Qualifying domestic trusts and their underlying holding companies will be granted tax exemption on specified locally-sourced investment income and all foreign-sourced income. A qualifying domestic trust is one administered by an approved trustee company in Singapore, with every settlor being an individual, established for individuals or charitable purposes and where at least one of the beneficiaries is not a settlor of the trust.

▶ Distribution out of trust income

A beneficiary receiving any trust distributions paid out of foreign or domestic trust income is exempted from tax in Singapore.

▶ Confidentiality




Singapore has highly regarded secrecy laws prohibiting trustees and banks from releasing any client related information excepted under specified circumstances.

▶ Worldwide hub

Singapore is an ideal worldwide financial and wealth hub to set up a trust for high net worth individuals with global assets and interests due to its business-friendly environment, sound economic fundamentals, clear laws, safety, political stability, high standard of living, excellent network, world-class infrastructure, strategic geographic location and, last but not least, the robust regulation of the financial sector.

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Our clients come from every corner of the globe. Different countries, different cultures. Just like us. We have more than 1,000 professionals in more than 20 countries worldwide. So we have the local knowledge and sensitivity to see things from your point of view.

   Setting the standard since 1952

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