

TRUSTS

Trusts are governed by the Trusts Act of Mauritius 2001 and are excellent structures to cater for:

- (i) Asset protection;
- (ii) Confidentiality purposes;
- (iii) Wealth planning;
- (iv) Preserving family fortunes;
- (v) Protection of minor children's rights
- (vi) Tax planning;
- (vii) Charitable purposes.

A trust is created by the owner of a property (the Settlor) vesting the ownership of the property to another person (the Trustee). The latter will hold it for and on behalf of other persons (the Beneficiaries). The Settlor may appoint a Protector who can have wide powers to control the administration of the trust by the Trustee. The Settlor may give to the Trustee a letter of wishes as guidance to his wishes during his lifetime or after death.

A trust may be created either through a deed of trust signed by the Settlor and Trustee or a declaration of trust signed by the Trustee only.

The trust deed is almost similar to the constitution or articles of association of a company, whereby the various articles will define and regulate the way the trust is managed. For instance, the Protector can subject all the actions undertaken by the trustee, to his prior written consent or it could also be stipulated that the Protector, has the power to remove or add a trustee at any given point in time.

Therefore, even though it is a trustee which is responsible for a trust, the Settlor/Protector can still maintain a decent level of control whilst ensuring a desired level of transparency.

In Mauritius only entities or persons entitled to act as qualified trustees by the Financial Services Commission, can act as trustees of a trust. Being a management company regulated by the Financial Services Commission, we are entitled to act as corporate trustees for trusts.

TYPES OF TRUSTS

In Mauritius, there are several types of trusts and these are as follows:

- (i) **Purpose Trusts** – Trusts which operate for a specific purpose only for example catering for a building for a number of years or catering for a certain specific class of beneficiaries;
- (ii) **Discretionary Trusts** – Trusts which will have a class of beneficiaries but the apportionment of the benefit to these beneficiaries has not yet been concluded. Trustees

are usually provided with a letter of wishes by the settlor guiding them as to how to manage the trust and the trust property;

- (iii) **Charitable trusts** – As the name indicates, these trusts operate for charitable purposes only. These ‘charitable’ purposes have to fall within a category of purposes defined by law;
- (iv) **Asset protection trusts** – these are mainly used to shelter assets from potential claims as well as offering protection from inheritance taxes and so on.

DURATION OF TRUSTS

The lifetime of a trust (other than a purpose trust) is 99 years. This may be renewed prior to the expiration of the lifetime.

PRICE SCHEDULE

The starting price for setting up of a Trust stands at around USD 3000 onwards and this includes:

- (i) **Setting up of the Trust;**
- (ii) **Trusteeship services;**
- (iii) **Registered office address;**
- (iv) **Opening of a bank account; and**
- (v) **Any governmental fees payable for the registration of the trust deed.**

Annual fees for a trust can vary depending on the services being required from us, the trustees of the trust to be set up.