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Trust & Corporate

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An Introduction to Private Trust Companies

Fairway is able to offer Private Trust Companies (“PTC”) services as part of its range of structuring vehicles. A PTC is an entity whose sole purpose is to act as Trustee in relation to a specific Trust or Trusts (and which does not solicit from or provide trust company services to the public).

The board of Directors of the PTC can consist of professionals or a mixture of professionals and lay persons. Jersey PTCs are increasingly used by individuals who choose to establish their own PTC as an alternative to transferring assets to a professional trust company.

One disadvantage of using a PTC can sometimes be the cost of establishment, in the majority of cases the added comfort of having a dedicated bespoke Trustee for a Trust or group of Trusts can far outweigh this. The annual running costs of a PTC can also, in some instances, be less than those of a public trust company.

The principal legislation regulating Jersey’s trust company industry provides that a person carrying out trust company business must be registered with the Jersey Financial Services Commission (the “JFSC”). However, under ancillary legislation, a Jersey PTC is exempt from this requirement on the fulfilment of various “light touch” criteria (such as the notification of its name to the JFSC, usually by way of letter). Further, there is no requirement for copies of documents in relation to the Trust or Trusts for which the PTC will be acting as Trustee to be filed.

With regard to ownership of the PTC itself, it is possible for shares in a PTC to be held by an individual, within a Purpose Trust or by a Jersey Foundation (which can also act as a PTC itself). In all instances it is important to ensure that professional advice is obtained as to the most appropriate structure to be established. Consideration also needs to be given where the shares are held by an individual as this may, in itself, raise practical concerns regarding succession on the death of the owner.

Ownership will generally be recommended to be through a Purpose Trust or a Foundation, rather than by the settlor individually. A Purpose Trust is a Trust which is established to achieve a non-charitable purpose, which in the present case is likely to be to provide trusteeship services to designated Trusts.

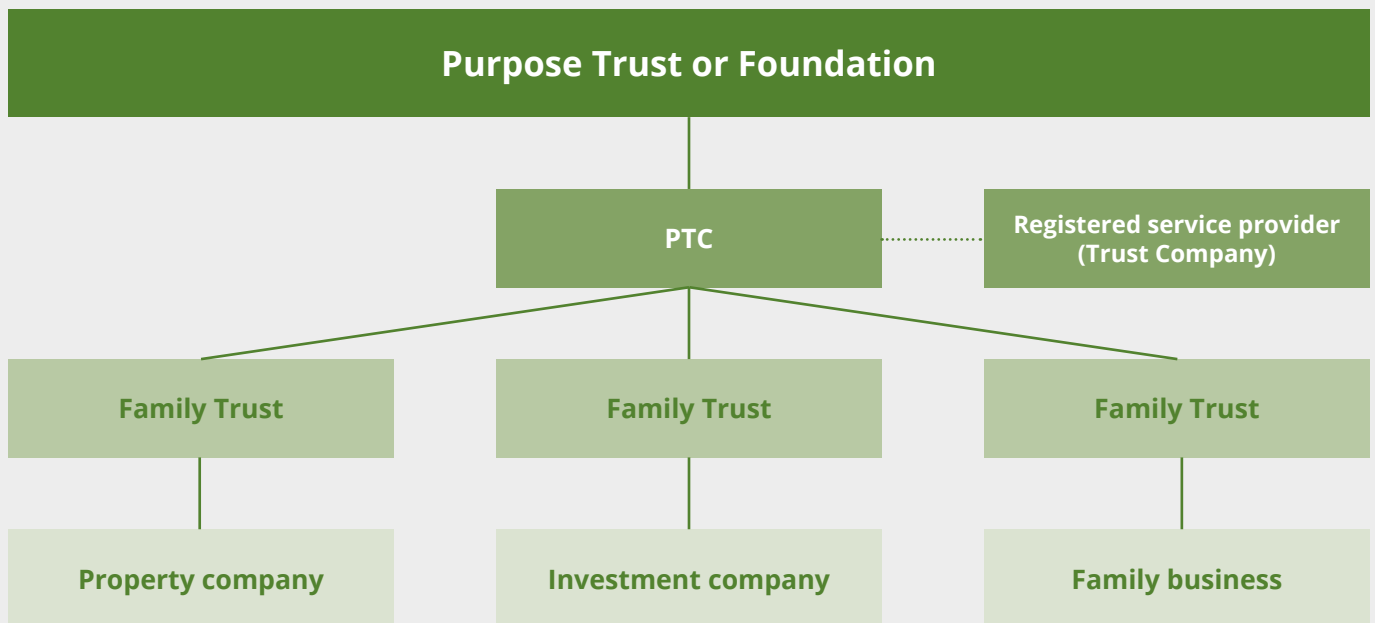


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An Introduction to Private Trust Companies cont.

This holding structure is illustrated in the diagram below although structures are tailored to each of our clients' requirements:



Fairway Group take great pride in protecting and growing our clients' assets through our trust services offering. Universally revered, turtles are nomadic, long-lived, independent creatures who return to the same nesting grounds where they were born, demonstrating a true sense of direction and importance of legacy. Each protective turtle shell is unique and representative of the service provided to each of our clients.

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Fairway Group is a registered business name of Fairway Trust Limited, Fairway Fund Services Limited and Fairway Pension Trustees Limited. Regulated by the Jersey Financial Services Commission (JFSC).

