



Hong Kong Trustees' Association
Trust Training Certificate Course Part A

Unit	Module	Learning Objective	Outline
Unit 1 – Introduction to Trusts	Module 1: Overview of Trusts	At the end of the Module, candidates should be able to (a) understand the nature of a trust; (b) identify the parties to a trust, (c) understand the roles and duties of each of these parties to a trust; and (d) explain why and how trusts are used.	<ol style="list-style-type: none">1. Overview of Trusts2. What is a trust?3. Structure of a trust and holding companies4. Parties to a Trust<ol style="list-style-type: none">a. Settlorb. Beneficiariesc. Protectord. Enforcere. Appointed Personsf. Trusteesg. Authorised Persons5. Overview of why/how trusts are used<ol style="list-style-type: none">a. In estate planning:<ol style="list-style-type: none">i. Asset protection,ii. Avoiding Probateiii. Succession of business,iv. Anti-forced heirshipb. For investment and employee benefits:6. Investment vehicle for private and public distribution7. Retirement schemes8. Employee stock ownership plan (ESOP)



Unit	Module	Learning Objective	Outline
Unit 1 – Introduction to Trusts	Module 2: Trustees' duties	At the end of the Module, candidates should (a) understand the nature and duties of Trustees; (b) understand the nature and extent of the powers of Trustees; (c) recognize the language in which a trust may be framed and the form in which a trust may be created; (d) understand the key principles of the validity of a trust; and (e) understand the key rules determining the choices of the governing law of a trust.	Trustees' duties 1. Duties of powers 2. Language, for and validity 3. Governing law
Unit 1 – Introduction to Trusts	Module 3: Liability, Variation and Termination	At the end of the Module, candidates should be able to (a) understand the extent of a Trustee's liability and how far he/she may be relieved from it; (b) understand the extent of the liability of a Protector and of an Enforcer and the extent to which they too can be relieved from liability; (c) understand the reasons for migration of trusts;	Liability, Variation and Termination 1. Liability of Trustees, Protectors and Enforcers 2. Migration of Trusts 3. Provision of information 4. Termination and variation



		<p>(d) understand the extent of the duty and requirement of a Trustee to provide information;</p> <p>(e) explain how, when and by whom trusts can be varied; and</p> <p>(f) explain how, when and by whom trusts can be terminated.</p>	
Unit 2 – Types of Trusts and when appropriate	Module 4: Types of Trust and their uses	<p>At the end of this Module candidates should be able to:</p> <p>a) Recognise the common types of trusts for estate planning purposes</p> <p>b) Recognise the common types of trusts for investment purpose</p> <p>c) Recognise the common types of trusts for employee benefits purposes</p> <p>d) Appreciate the limitations of certain jurisdictions for some types of trusts</p>	<p>Types of Trust and their uses</p> <ol style="list-style-type: none"> 1. Protective Trust 2. Charitable Trust 3. Non-Charitable Purpose Trust (“NCPT”) 4. Investment vehicle in form of a trust 5. Pension Trust 6. Employee Benefit Trust (e.g. employee stock ownership plan (ESOP) 7. Discretionary (and letters of Wishes) 8. Bare Trusts, Declarations of Trust, Two-party trust (Co-fiduciary Trust) 9. Fixed Interest, 10. Revocable or irrevocable, 11. Resulting Trusts/Constructive Trust



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Unit 2 – Types of Trusts and when appropriate	Module 5: Retention of Control	At the end of the Module, candidates should be able to <ol style="list-style-type: none">Recognise the common types of trusts if retention of control is a key consideration of the settlorExplain how these types of trusts could provide for retention of control by the Settlor or others and why.Recognise which jurisdictions offer the solutionsElaborate common applications, e.g. reserved power trust, VISTAIdentify the problems with retention of control trusts	Retention of Control <ol style="list-style-type: none">Reserved Power TrustsPrivate Trust Company's (PTCs)Use of VISTA/LST/SISTA trusts in overview [with case studies]Trust / Limited Partnership structure



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Unit 3 – Administration & Management of Trusts	Module 6: Administering Trusts	<p>At the end of the Module, candidates should be able to</p> <ul style="list-style-type: none"> a) Describe the cycle from setting up a trust, administering a trust to terminating a trust. b) Explain the documents required by the Trustees for setting up, administering and terminating most types of trusts c) Describe the actions and documents required for an annual review of a trust. 	<p>Administering Trusts</p> <ul style="list-style-type: none"> 1. Issues and Procedures <ul style="list-style-type: none"> a. Set up process b. Distributions to beneficiaries c. Annual review d. Changes to the dead e. Adding and removing beneficiaries f. Re-domicile g. Trust investment policy h. Letters of Wishes i. Proper documents for trustee protection j. Basic accounting rules and trust account requirements k. Reporting (FATCA, CRS) overview and when required l. Beneficiaries rights to information under HK law m. Termination and closure documents and requirements n. For investment an pension trust, role of custodian, administrator and registrar/ scheme administrator in overview



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Unit 4 – Other Estate Planning Vehicles	M7: Other Estate Planning/ Succession Vehicles	<p>At the end of this Module, candidates should be able to</p> <ul style="list-style-type: none"> (a) Recognise the commonly used vehicles for estate planning other than trusts and foundations (b) Explain the key features of each of these vehicles for estate planning (note particularly HK Holding company issues) (c) Describe how these vehicles are related to or compliment different type of trusts 	<p>Other Estate Planning/ Succession Vehicles</p> <ul style="list-style-type: none"> 1. Descriptions of the nature of <ul style="list-style-type: none"> a. Holding Companies with trusts (cover prohibition on trusts as shareholders of HK companies) b. Insurance & ILIT (requirements on changes to ILIT's) <ul style="list-style-type: none"> i. Wills ii. Pre-nuptial agreements iii. Gifts iv. Loans 2. Uses and appropriateness in estate planning
Unit 4 – Other Estate Planning Vehicles	Module 8: Trust Protection Issues	<p>At the end of this Module, candidates should be able to</p> <ul style="list-style-type: none"> (a) Describe how a trust may be attacked (b) Understand the protections offered by <ul style="list-style-type: none"> i. anti-forced heirship; ii. non-enforcement of foreign judgments; and iii. The use of an Employees Benefit Trust (“EBT”) to protect assets from a company’s creditors (c) Understand the following grounds for a claim against a trust’s assets on breakdown of marriage <ul style="list-style-type: none"> i. sham trust; ii. the trust is a nominee arrangement; iii. the trust is a nuptial settlement; and iv. the trust’s assets are a financial resource. 	<p>Trust Protection Issues</p> <ul style="list-style-type: none"> 1. Third party creditors 2. Marriage breakdown protection issues (recent court cases) 3. Protection of accrued benefits eg share plans & under MPF



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Unit 5 – Trusts Compared with Other Estate Structuring Vehicles	Module 9: Trusts compared with other estate planning vehicles	<p>At the end of this Module, candidates should be able to</p> <ul style="list-style-type: none"> (a) Recognise various estate structuring vehicles (b) Explain the key features of these various estate structuring vehicles, their differences and their respective advantages and disadvantages. (c) Be aware of how these other estate structuring vehicles are used in different jurisdictions and why they are used (e.g. laws) 	<p>Trusts compared with other estate planning vehicles</p> <ul style="list-style-type: none"> 1. Comparisons of trusts with Foundations, <ul style="list-style-type: none"> a. Private Companies (including Special Purpose International Companies), b. Partnerships 2. Review of the key benefits and differences of each
Unit 6 – Trusts and Compliance	M10: Compliance, AML, Legislative rules & how they apply to trusts	<p>At the end of this Module, candidates should</p> <ul style="list-style-type: none"> (a) Describe the trustee compliance requirements for most types of trust, e.g. AML, CDD, SOW, SOF, CRS and FATCA (b) Understand what / when generates reportable person or account (e.g. US person) (c) Understand the thinking process in determining the reporting requirements for a typical trust (d) Understand what / when generates reportable person or account (e.g. US person) (e) Understand the thinking process in determining the reporting requirements for a typical trust (f) Be able to classify a trust and underlying company for FATCA and CRS purposes 	<p>Compliance, AML, Legislative rules & how they apply to trusts</p> <ul style="list-style-type: none"> 1. Current HK legislation and regulations on trustee companies <ul style="list-style-type: none"> a. Registered Trust Company rules b. New legislation/ licensing requirements for trust companies in 2018 c. Shareholders and directors Fit & Proper d. UBO registers 2. The principles of CRS and FATCA as they apply to trust structures and the Trustees' responsibility 3. Classifications of trusts under FATCA/CRS 4. Requirements for AML & CDD 5. Due diligence and source of funds required 6. What SOF is sufficient? 7. What will be reportable in 2018 under CRS?



Unit	Module	Learning Objective	Outline
Unit 7 – Trust Jurisdiction Comparison	M11: International Comparison on Trusts	At the end of this Module students should be aware of the key differences of most types of trusts by jurisdictions (focus on is on Hong Kong, BVI, Channel Islands, Cayman Islands, Singapore and PRC).	International Comparison on Trusts Comparisons of jurisdictions with comments/ differences: <ol style="list-style-type: none">1. Hong Kong2. Singapore3. United Kingdom4. British Virgin Islands5. Cayman Islands6. United States7. Channel Islands8. Canada9. Overview of PRC trust law comparison