

**Hong Kong Trustees' Association**  
**Trust Training Certificate Course Part B (Stream 2) Syllabus**

Unit	Module	Learning Objective	Outline
Unit 11 – International Taxation	Module 17: Tax with regard to Trusts, Settlers & Beneficiaries; Taxation of Assets	<p>At the end of this Module, students will be able to understand the following:-</p> <ol style="list-style-type: none"> <li>i. the general implications for taxation for a settlor or founder when respectively creating a trust or foundation;</li> <li>ii. the problems of not carrying out international estate planning during lifetime;</li> <li>iii. the general application of taxation for beneficiaries of a trust;</li> <li>iv. nationality as a trigger for taxation;</li> <li>v. the nature of domicile of origin, of dependency and of choice and of deemed domicile as triggers for taxation;</li> <li>vi. the different ways in which residence arises as a trigger for taxation; and</li> <li>vii. source of income, and capital gains as a trigger for taxation.</li> <li>viii. understand the key elements for the taxation of assets by reference to the nature and situs of an asset;</li> <li>ix. be able to explain how relief from taxation of an asset can arise by reference to the nature of the asset and to the recipient of it; and</li> </ol>	<p>This Module provides for the aspects of international taxation as follows:-</p> <ol style="list-style-type: none"> <li>1. General application</li> <li>2. Triggers for taxation</li> <li>3. Residence of individuals and the tests for this</li> <li>4. Nature of the asset – situs of the asset – recipient of the asset;</li> <li>5. Funds – issue for Hong Kong funds;</li> <li>6. Retirement schemes in Hong Kong;</li> <li>7. Exemptions and reliefs</li> </ol>

		x. be able to compare such taxation and reliefs across jurisdictions mentioned.	
Unit 17 – Trusts and Issues for PRC Nationals	Module 19: Trusts and Issues for PRC Nationals	<p>At the end of this Module students will understand</p> <ul style="list-style-type: none"> <li>i. understand how PRC trust law compares with trust law in common law jurisdictions;</li> <li>ii. understand the reasons why Chinese clients wish to make foreign trusts and the types of trust which they require;</li> <li>iii. be aware of and list the challenges of compliance for Chinese clients;</li> <li>iv. be able to explain the consequences of dual nationality of Chinese clients with regard to trusts and assets; and</li> <li>v. understand how Chinese taxation specifically impacts Chinese clients as Settlers and as Beneficiaries.</li> </ul>	<p>This Module covers the following issues:-</p> <ul style="list-style-type: none"> <li>• Comparison of PRC Trusts with Common Law Trusts;</li> <li>• Types of Trust required and reasons for this;</li> <li>• Challenges of compliance requirements such as KYC, AML, SOF and SOW;</li> <li>• Special issues and consequences of dual nationality;</li> <li>• The need for and use of Foreign Grantor Trusts (for the USA) and Granny Trusts (for Canada);</li> <li>• Trusts and PRC nationals – onshore versus offshore;</li> <li>• Hong Kong Trusts which are available to PRC Nationals; and</li> <li>• Overview of tax provisions – <ul style="list-style-type: none"> <li>- PRC nationals as settlors and beneficiaries; and</li> <li>- PRC settlors with US Beneficiaries</li> </ul> </li> </ul>
Unit 18 – Trusts for Security arrangements, commercial and employee benefit needs	Module 20: Some commercial uses of trusts	<p>After studying this module students should be able to</p> <ul style="list-style-type: none"> <li>i. Understand the structure and purpose of the various trusts (escrow, REITS, employee benefit, pre IPO, business trusts,</li> </ul>	<p>This Module concentrates on trusts for broader commercial uses which include:-</p> <ol style="list-style-type: none"> <li>1. Trusts as escrow arrangements</li> <li>2. Trusts to provide for security – “Quistclose Trusts” Security Trustee &amp; Bond Trustee</li> </ol>

		<p>employee share/option plan) and their uses.</p> <ul style="list-style-type: none"> <li>ii. Identify the various parties to each of these trusts and explain what their role is.</li> <li>iii. Explain when these various types of trusts are needed and the circumstances under which each would be a suitable vehicle for a client.</li> <li>iv. Be able to list any key elements that must be present for these different types of trusts</li> <li>v. Be able to list the advantages of Pre IPO Founder trusts</li> <li>vi. Understand and explain how employee share and option plans are structured, their advantages and the tax and reporting implications.</li> </ul>	<p>Arrangements</p> <ul style="list-style-type: none"> <li>3. Trusts for security in litigation/court cases/mediation</li> <li>4. Business trusts</li> <li>5. Real Estate Investment Trusts (REITS)</li> <li>6. Employee benefit trusts</li> <li>7. Medical scheme trusts</li> <li>8. Pre IPO founder share trusts</li> <li>9. Employee share/option plan / trusts and their structure and tax implications</li> </ul>
Unit 19 – Collective Investment Schemes – Part 1 Private Arrangements	Module 21: Collective Investment Schemes – Part 1 Private Arrangements	<p>At the end of this Module, students should be able to:</p> <ul style="list-style-type: none"> <li>i. Understand and explain the key elements of what constitutes a Collective Investment Scheme (“CIS”), especially for private placement</li> <li>ii. Explain the differences between Unit Trusts (“UT”), Open-ended Fund Companies (“OFC”) and Limited Partnership Funds (“LPF”) in the context of</li> </ul>	<p>This Module provides an overview of vehicles available for collective investment schemes in Hong Kong that are not offered to the investing public, but only through private placement. The type of collective investment scheme for private placement in Hong Kong will then be compared to other jurisdictions, with a primary focus on the Cayman Islands.</p>

		<p>private CIS, the documentation involved, as well as the relevant regulatory obligations</p> <p>iii. Explain the key parties necessary for UTs, OFCs and LPFs as well as their roles and licensing requirements</p> <p>Comparison of private CIS in Hong Kong to private funds in the Cayman islands</p>	
Unit 20 – Collective Investment Schemes – Part 2 Public Offering Arrangements	Module 22: Collective Investment Schemes – Part 2 Public Offering Arrangements	<p>At the end of the Module, candidates should be able to</p> <ol style="list-style-type: none"> <li>i. explain the differences between UT’s, OFC’s and MF;</li> <li>ii. be able to list the parties required for these public CISs;</li> <li>iii. explain in depth the role of Trustees/Custodian and other parties for a public CIS;</li> <li>iv. understand the regulatory regimes in Hong Kong for UT’s and OFC’s; and</li> <li>v. be aware of non-Hong Kong funds (such as funds from the Cayman Islands, Luxembourg, and Ireland) which are offered to the Hong Kong public.</li> </ol>	<p>This Module provides an overview of collective investments schemes (“CIS”, or generally referred to as a “fund”) which are offered to the Hong Kong public:</p> <ul style="list-style-type: none"> <li>● The Module first explains the Hong Kong specific regime for “funds” (being unit trusts (“UTs”) or open-ended fund companies (“OFCs”)) authorized by the Securities and Futures Commission (“SFC”) in Hong Kong and compared with mutual funds (“MF”)</li> <li>● Information regarding the structures, restrictions and key operators of the unit trusts, OFCs and mutual funds</li> <li>● Comparison with non-Hong Kong funds which are offered to the public.</li> </ul>

<p>Unit 21 – Hong Kong Mandatory Retirement Scheme Trusts - MPF</p>	<p>Module 23: Mandatory Provident Fund Schemes - MPF</p>	<p>At the end of the Module, candidates should be able to</p> <ol style="list-style-type: none"> <li>i. understand all key aspects of the MPF system and MPF schemes, including: <ul style="list-style-type: none"> <li>• List the basic rules and provisions for MPF schemes,</li> <li>• Explain the different types of MPF schemes,</li> <li>• Describe the licensing and compliance requirements of MPF schemes and Trustees,</li> <li>• Understand the role and licensing and requirements for Custodians, Sponsors, Intermediaries, Investment Products),</li> <li>• Describe the reporting requirements under TCSP, FATCA, and CRS,</li> <li>• Explain the tax arrangements on MPF schemes and contributions, and</li> </ul> </li> <li>ii. compare with other mandatory pension plans internationally (Singapore and Australia).</li> </ol>	<p>In this Module, students learn about the mandatory MPF schemes which are established under a trust structure. The Module covers the regulatory and reporting requirements for the schemes, trustees and sponsors/employer:-</p> <ul style="list-style-type: none"> <li>• The Module first explains the background of the Mandatory Provident Fund Schemes (“MPF”) system.</li> <li>• Information regarding the types, structures, restrictions and key operators of MPF schemes.</li> <li>• Comparison with other mandatory pension plans internationally.</li> </ul>
<p>Unit 22 – Hong Kong Retirement Scheme Trusts - ORSO</p>	<p>Module 24: Trust as Private/Voluntary Retirement Schemes – ORSO</p>	<p>By the end of this module, candidates should be able to</p> <ul style="list-style-type: none"> <li>• Understand the basic requirement of ORSO schemes</li> <li>• Explain the different types of ORSO schemes</li> </ul>	<p>This Module provides an overview of Occupational Retirement Schemes, which is established under a trust structure by virtue of Occupational Retirement Schemes Ordinance (“ORSO”).</p>

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|  |  | <ul style="list-style-type: none"><li>• Describe the obligations and responsibilities of employers and trustee under ORSO schemes</li><li>• Describe the administrative and reporting requirements of ORSO schemes</li><li>• Explain the tax position of ORSO scheme and contributions and benefits</li></ul> |  |
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