



## **New Quadrant Trust Corporation Limited**

### **Benefits of using a trust corporation**

Historically partners of a law firm were appointed to act as a trustee, executor, attorney or deputy. A trust corporation is an entity which is authorised to act in these roles and there are benefits of using a trust corporation for these appointments rather than an individual which are as follows:

#### Continuity

Unlike an individual professional trustee that will need to be replaced should they retire, no longer have mental capacity or die a trust corporation can continue to act. This is because it is the trust corporation rather than individual directors that are appointed. As a result there are substantial savings in professional and other fees as there is no deed required to retire and appoint a new trustee simply because the directors change and assets need to be transferred to the new trustee.

#### Availability

An individual professional may not always be available due to other commitments such as holiday, however, a trust corporation will always be available.

#### Security of clients under the Trustee Act 2000

A trust corporation owes a higher duty of care to the beneficiaries than a lay trustee.

### **New Quadrant Trust Corporation Limited**

New Quadrant Trust Corporation Limited (NQTCL) is authorised to act as a corporate trustee. NQTCL signatories will be at least two senior members of the firm who deal with trusts and estates every day. NQTCL will appoint New Quadrant Partners to advise and only New Quadrant Partners will bill for its time. New Quadrant Partners will bill for work carried out on a time spent basis and there is no separate responsibility fee for NQTCL.

### **NQTCL as a Trustee**

Trustees have a number of fiduciary and regulatory duties. Often lay trustees find these duties onerous and the increased amount of paperwork that is generated by the running of a trust may be overwhelming.

#### Investment decisions

NQTCL is able to assist with selecting investment managers to invest the trust portfolio. A third party company will be appointed to monitor the investments to ensure that the returns are in line with the mandate. The Directors of NQTCL have many years experience of running trusts and have been involved with some of the active trusts for at least 20 years.

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The experience of the directors of NQTCL has meant that we are administering trusts that with the right investment management selection have nearly doubled in value over the past ten years.

#### Tax and recording compliance

The trust administration team deal with all tax compliance for the trust on its creation and on an ongoing basis. This will include preparing and filing the annual HMRC tax return for the trust, producing R185s for the beneficiaries following any distributions made to them. In addition they will report any chargeable distributions that are made by the trust to HMRC.

It is important for the trustees to have a record of the financial transactions of a trust, such as income and expenditure and for this reason annual trust accounts will be prepared.

#### Regulatory compliance

All UK trusts whether they have any US beneficiaries or US assets fall under the Foreign Account Tax Compliance Act (FATCA). The consequences of not complying with FACTA are significant, including withholding tax of 30% on any income or proceeds of sale of US investments. In addition, many banks and financial institutions will not be willing to serve trusts unless they are 'compliant'. Financial penalties may also be imposed under UK regulations.

A corporate trustee such as NQTCL, would be responsible for complying with FATCA on behalf of the trust. This reduces the individual trustees' obligations significantly as it largely shifts the FATCA requirements to that corporate trustee.

#### **NQTCL role in a probate**

It is also possible for NQTCL to be named as a sole or joint executor of a will. The executor will deal with the administration of the estate, call in the deceased assets, apply for a grant of probate, report the inheritance tax position to HMRC and finally distribute the assets.

The executor may, where appropriate, also become the trustee of any trust that arises from the deceased's will.

In addition, NQTCL can be appointed as attorney by an executor of a will from another jurisdiction to obtain a UK grant of probate for UK situs assets.

#### **NQTCL as a nominee**

Where appropriate NQTCL can hold assets as nominee for individuals and commercial clients.

#### **Additional roles of NQTCL**

NQTCL can also act in the following capacity

- as an Attorney under a general power of attorney
- as an Attorney under a Lasting Power of Attorney
- as a Deputy

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