



Private Trust Companies

Introduction

Private Trust Companies (PTCs) are established with the sole purpose of acting as a corporate trustee to a trust or a number of trusts, provided those trusts are "connected". The PTC must conduct only "connected trust business". "Connected trust business" is trust business where the contributors of funds to the trusts are all "connected persons" in relation to each other", (defined in further detail in section 2(2) of the Private Trust Companies Regulations). They can also be used for commercial and philanthropic purposes. PTCs have proved to be a particularly appropriate structures for UHNW families and their advisors as it serves as a Trustee of their family trusts. They provide a framework for clients who wish to retain some control over the administration of the Trust assets and are commonly used where it is recommended that certain assets should be segregated from others, such as works of art, family businesses or large assets (e.g. aircraft or yachts).

The Cayman Islands Monetary Authority (CIMA) supervises and regulates trust company business. There are two categories of PTCs in The Cayman Islands

Licensed PTCs

This is a restricted Trust Licence and is obtained from CIMA. The trust business is restricted to acting as trustee to specific named trusts that are for connected trust business where the contributor to the trust funds are all connected persons. The following criteria must be met;

- Each Trust Company is required to have a place of business in the Cayman Islands
- A licenced PTC is required to have a minimum of two directors, at least one of whom is required to have sound professional knowledge of, and experience in, the trust business
- All directors and senior officers must be approved by CIMA as fit and proper persons to carry out their duties
- CIMA allows a maximum of 20 Trusteeships as long as the trusts are related
- Every licensee incorporated under the Companies Law (as revised) is required to have its accounts audited annually by an auditor approved by CIMA
- Normally takes 6-8 weeks to establish a licenced PTC

A detailed summary of the proposed activities of the licensee must accompany the licence application and these details are set out in the Banks and Trust Companies Law (2013 Revision).

Registered PTCs

A Registered PTC is not required to obtain a licence from CIMA however it must register with CIMA by paying a registration fee and filing. They must meet the following criteria as required by the PTC Regulations (2013 Revision);

- The PTC needs to be incorporated in the Cayman Islands - generally as an exempted company, limited by shares
- Maintain a registered office in the Cayman Islands at the office of a company that holds a Trust Licence under the Banks and Trust Companies Law
- The name of the company must include the words "Private Trust Company" or "PTC"
- The PTC must conduct only "connected trust business".

Registered PTCs may be established quickly, often in as little as 1 week.-

The Benefits of Using a PTC include;

Comfort: A PTC ensures that the Settlor has a dedicated trustee attending to the affairs of the underlying managed trusts. The Settlor has the ability to choose the PTC board which offers a greater degree of comfort facilitating the direct involvement of family members (and trusted advisors) in the decision making processes

Confidentiality: Confidentiality of information relating to family, assets and activities is maintained. A PTC provides greater control over access to and disclosure of confidential information

Continuity: In addition to having a dedicated and professional Trustee overseeing the underlying managed Trusts, Board members and staff of the PTC are selected by the client ensuring there is an ongoing understanding and continuity of family affairs. The administrator may change but the PTC will remain as the Trustee providing continuity of asset ownership

Assets: A PTC is commonly used where it is recommended that certain assets should be segregated from others, such as works of art, family businesses or large assets (e.g. aircraft or yachts)

Ownership: When a PTC is utilised in a structure and owned by a STAR Trust it avoids problems of succession with respect to the ownership of the PTC. A STAR Trust is a Trust which is established for the benefit of persons, purposes or both. It is not limited by a perpetuity period and so can effectively continue indefinitely. The STAR Trust's purpose is then to hold the shares of the PTC

Quality Control: Trusts are administered by highly skilled and experienced staff fulfilling the duties and responsibilities expected of a Trustee under Cayman law

Our Services

Sackville Bank and Trust Company Limited ("Sackville") is a Licensed Bank and Trust Company under the Cayman Islands Banks and Trust Companies Law. We provide a full range of services to both Restricted Trust Licenced Companies and Registered Private Trust Companies and provide significant experience and skill in dealing with many types of PTC structures.

Our PTC services include;

- Set-up and registration
- Filing requirements & annual registration
- Acting as Trustees for the Trust that owns a PTC
- Provision of Directors and administration services
- Money Laundering Reporting Officer and Compliance Services
- Accounting Services

Sackville, together with the experience and technical expertise of its management team, offer flexible and highly personalized solutions to affluent, successful individuals, their families and institutions, going the extra mile to ensure their needs are addressed.

Built into Sackville

- Five committees comprising internal and external advisors provide detailed oversight - Management, Investment Oversight, Finance, Audit/ Compliance and Credit
- Qualified global Intermediary with U.S. Internal Revenue Service (IRS)
- Full registration with U.S. Securities and Exchange Commission
- Capital Adequacy Ratio over 40%, more than four times the minimum required by Basel II for risk-rated assets (10%); and also considerably higher than the CIMA minimum requirement
- Auditor: Cayman Islands partnership of PricewaterhouseCoopers
- Global custodial and banking services: CIBC Mellon

For additional information we invite you to visit www.sackvillebank.com