



STAR Trust

The Cayman Islands purpose trust legislation was published in November 1997 as The Special Trusts (Alternative Regime) Law 1997 (or STAR Law). The STAR legislation is contained in Part VIII of the Trust Law (as amended) and was introduced to overcome obstacles arising from more traditional trusts. For example, a STAR Trust can hold the business shares of an entrepreneur with the purpose of enabling the Directors to continue to run the business after his or her death.

Features of a STAR Trust

Beneficiaries

The beneficiaries or objects of a STAR trust can be persons and/or purposes of any number or kind, charitable or non-charitable, provided such purposes are lawful and not contrary to public policy. In addition, all features and protections available in Cayman for traditional trusts are automatically available for STAR Trusts.

Enforcer

Trustees owe their duties to an Enforcer. The Enforcer (a natural person, committee or entity, have a right or a duty to enforce the Trust). The Enforcer may also include one or more of the Beneficiaries. The rights of Beneficiaries to enforce the trust and also their right to seek disclosure of information regarding the trust and its administration are removed.

Perpetuity Period

The rule against perpetuities (Cayman Islands statutory perpetuity period of 150 years) does not apply. There is no perpetuity period under a STAR Trust and so these can, if the Settlor so wishes, exist forever.

Rules

At least one trustee must be a licensed Trust company in Cayman to conduct Trust business in the Cayman Islands or a Private Trust Company registered in the Cayman Islands.

The Trust Deed must include a declaration that the STAR law provisions in Part VIII of the Trust Law (as amended) apply.

Advantages & Uses

- To hold the shares of a family company according to a specific business plan
- To create a lasting legacy for many generations, as there is no perpetuity period

- To limit beneficiary involvement by restricting or eliminating a Beneficiary's right to information or to terminate the Trust
- To hold the shares of Private Trust Companies. This avoids problems of succession in relation to the ownership of the PTC
- To pursue philanthropic rather than charitable purposes allowing for greater flexibility
- To hold an interest in a company or partnership which holds land in the Cayman Islands
- To assist Beneficiaries by appointing a professional advisor as Enforcer to ensure a STAR Trust is being properly administered, thus leaving the Beneficiaries to enjoy the benefits

Sackville Bank and Trust Company Limited ("Sackville") is a licensed Cayman Islands Bank and Trust Company. In addition to providing a full range of fiduciary services for Trust and Corporate structures, Sackville also provides Trustee services to a STAR trust. It can also provide an Independent Enforcer.

Sackville liaises with local legal counsel to ensure that appropriate advice, special care and the provisions of the legislation are properly taken into account when drafting a trust deed for a STAR Trust.

Sackville, together with the experience and 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